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# Naturally delicious

Natural and organic confectioners are focusing on delivering better taste, lower cost and broader appeal.

By Crystal Lindell  
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When Dawn Van Hee started her self-explanatory online business Natural-CandyStore.Com in Oct. 2007, she was basing her business model on a handful of predictions.

It was at the tail end of the low-carb craze, which had turned a lot of people off to sweets, but she thought that was about to change. Van Hee also believed that people would start to pay attention to the quality and the origin of the ingredients in their food.

"It seems to be coming true, what I was predicting," she says now. "Since I first came up with the idea, we've had a lot of new



brands come on the market."

In fact, according to data from Euromonitor International, \$177.5 million worth of organic confectionery products were sold in 2010, compared to \$172.8 million the year before, and \$71.1 million five years prior in 2005.

One of the main growth drivers for such products is increased consumer awareness. Whether they're worried about food allergies, or avoiding high fructose corn syrup, pesticides, artificial colors or all of the above, there's likely a candy out there to meet their needs.

Jessica Holten-Casper, spokeswoman for Sjaak's Organic Chocolates, says awareness has been and will be the key growth driver for the market.

"As people are becoming aware of the benefits of organic foods and the social ramifications, people are becoming more conscious consumers," she explains. "It's just a matter of people knowing about it, and when people know about it, they're automatically going to make those choices."

There's no doubt that the industry still faces a lot of challenges though.

"It can't just be better for you," explains Melissa Burton, director and owner of Goody Good Stuff, which makes all-natural gummies. "It has to taste better; it has to be easy as well. That's just human nature."

## Better Tasting

One of the key hurdles for makers of natural and organic foods is convincing consumers that their products taste good. However, perceptions are changing.



“We have Whole Foods now, so people perceive natural and organic as upscale,” Van Hee says.

It also helps that the process and the ingredients are improving.

“Our goal is to provide only yummy tasting and fun candies, because what’s the point if it’s not fun and yummy?,” Van Hee explains. “It’s becoming easier for my job, purchasing. There’s more to choose from, the technology’s improving, the colors are getting better. Every minute it’s improving.”

Deborah Schimberg is the company president of Glee Gum, an all-natural gum. She says consumers are usually surprised by how delicious her product is.

“Sometime people expect ‘natural’ to be a step cousin,” she explains. “To be less good because it’s healthy, or healthier, and people often times are like, ‘Oh, it’s good!’”

Bert Cohen, president and founder of TruSweet, which makes natural and organic gummies and jelly beans, says improved technology has led to better-tasting products.

“The products have evolved,” he says.

### Broad Appeal

Even when manufacturers are able to create a delicious treat, they face the

next hurdle of making one product that appeals to a full spectrum of consumers.

Burton, who started her Goody Good stuff in 2009, knows this struggle firsthand. Her company makes all-natural gummies with a gelling agent derived from a lily pad, making them kosher and safe for vegetarians and vegans.

But, by also using only fruit juice, plant extracts, and water they make them safe for pretty much anyone with a food allergy. The development process was anything but sweet though.

“We could get one thing right, but then to add all the others things in it was tricky,” she says. “It was also challenging to source the right ingredients, and to make sure that they all came together in the right flavor combinations.”

Their hard-work paid off though, and they now offer a product that’s ideal for any large-scale event, especially those involving children.

“It’s a nightmare trying to give candy to children in school environments,” she says. “It was a bit of minefield, so I thought, wouldn’t it be wonderful if we could create something that everyone could have?”

Cohen too has struggled with creating a candy that’s appealing to

every sub-group of consumers.

“It’s definitely a challenge, but it’s important too, because we’re not selling to the mass market, we’re selling to consumer niches,” he explains. “And the more consumer niches we can sell to with one product, the better the chance for success for that product.”

And with Glee Gum, Schimberg said they have recently expanded their product line to include a sugar-free gum – a particular hurdle considering they do not use any aspartame. The sugar-free version uses xylitol, while their other gums rely on cane sugar and rice syrup.

The gum also is made with a gum base of chicle, which comes from a tree in southern Mexico. So, aside from being all natural, it also appeals to the socially conscious consumers because it results in more income for the farmers who harvest it, chicleros. In addition, it gives communities a reason not to cut down the trees it comes from.

“What we’re really trying to do is make a chewing gum which is healthier and is also, from an environmental point of view, as responsible as we can make it,” she says.

### Price Point

Even great tasting products with broad appeal won’t sell well though if they aren’t priced right, and here natural and organic confectioners also struggle.

“I think our margin ends up being much lower than some other people in the industry,” says Schimberg, who’s Glee Gum

retails for \$1 so it can still target impulse buyers. "Gum is a product that people chew a lot of, and they use a lot of, and so price point is important."

One thing that has helped candy makers thus far is selling in premium stores, where consumers expect to pay more. But the latest trend for retailers has been creating organic and natural food sections right in the mass market stores.

Jacques Holten, owner of Sjaak's Organic Chocolates, admits that the prices have a significant effect, but points to factors such as shorter shelf-life, and ingredient sourcing as the reasons they probably won't come down anytime soon.

"If we would be at the same price point as the conventional chocolate, the sales would skyrocket," he says.


Van Hee says the higher prices are at least part of the reason that many mass market manufacturers have yet to dive

into the market, but that leaves plenty of space for smaller companies.

"The price point isn't right for mass market yet, and so the smaller players are willing to go after the market that there is," she explains. "And I also feel the smaller players tend to come at it from more of a passion for it, and really believe in it and it's not like they're just trying to jump on the bandwagon... so that's why I think we're seeing what we're seeing and who we're seeing be successful."

Schimberg can attest to the fact that at least she herself is in the market for those reasons.

"I think we feel good about our product and our customers do, and that's what business is all about," she says.

It's that attitude that will help companies committed to all-natural and organic products succeed despite the hurdles. 



A chiclero farms chicle, used in all-natural Glee Gum. Photo provided by Glee Gum.

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