
Establishing Premium Chocolate in U.S. Mass Market

History and future

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In order to discuss the premium chocolate market you must first define premium. The word has its origin in the early 17th century, and comes from the Latin *praenium*. It stands for “reward,” “prize” or “exceptional quality or greater value than others of its kind.” It also often describes something of higher price, quality or cost.¹

So what makes certain chocolates gourmet and premium? Premium chocolate is not just a higher price point. At its core, sustainable, successful premium chocolate must create a greater value for the consumer than other chocolates, through a premium experience driven by quality of taste and texture, packaging, image and perception, and communication.

Today, the marketing strategies of premium brands include experience, loyalty rewards, accessibility, partnerships and social media.^{2,3,4} Word-of-mouth is also a powerful driver of luxury purchases, because shoppers trust their friends, family and even strangers online to give them product recommendations far more than they trust advertising messages.⁵

In terms of product and packaging, premium choco-

late has carved out a niche on the shelf. In the book *Blue Ocean Strategy*, authors W. Chan Kim and Renée Mauborgne outline the concept of finding uncontested “blue water” space outside a competitive “red ocean” category. Current examples of products in various categories that occupy the blue water space include Red Bull energy drink, Dyson vacuum cleaners and Cirque du Soleil performances. Within the chocolate category, red ocean space could be considered laydown bags, countline bars and king-size bars, while premium chocolate has come to be identified by standup bags with hot foil and window, thin large-footprint flat bars and novelties—blue water space.

PREMIUM CHOCOLATE DEFINED

My five-P philosophy consists of patience, persistence, passion, pride and premium, and I feel success is the consequence of this philosophy. Premium is not an attribute, it is an attitude, and it is part of the DNA of a successful company.

At Lindt, we consider the premium difference for chocolate to include every step of the chocolate making process, including the sourcing of cocoa beans, bean roasting, high-quality cocoa butter, small molecule size, conching, recipes and the product portfolio (Figure 1).

With regard to specific products, dark chocolate is the true proof point for premium, as it requires very close attention to ingredients, bean-to-product control and no addition of non-cocoa fat components. More extensive refinements (up to five days of conching and



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