

# Dispatch from Candyland

*The sweetest convention in  
the world*

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In June 2008, while working on my fifth novel, *True Confections* (the working title was *Temper*), I attended the annual All-Candy Expo in Chicago. I went to the show (with credentials as a journalist, not as a novelist gathering material, which would not have gotten me in the door) in order to find material for my novel. The biggest confectionary trade show in the country offered even more than I had hoped for, providing texture and detail for crucial scenes in *True Confections* that take place at All-Candy and also at the imaginary Candycon at the Javits Convention Center in New York. I finished the novel at the end of the year, and *True Confections* will be published in January 2010. In June I went back to All-Candy, with a couple of genuine writing assignments this time. It was a different experience. Last time, I went to the show to find certain elements of my novel. This time, having dwelled imaginatively for so long in the world of *True Confections*, I had the eerie feeling that I was living for those three days inside the fictional reality of my novel.

But something else was also very different. In the intervening year, the world economy had collapsed on itself. We know the difference that year has made for most industries: What is the atmosphere at automobile shows, home shows, boat shows? Candy people are still smiling. Is candy truly as recession-proof as *The New York Times* claimed last March?<sup>1</sup> While editorials in such publications as *Candy Industry*<sup>2</sup> caution against overstating the case, candy is indeed a thriving business, and this year's All-Candy show was a happy hive of confectionary industry.

<sup>1</sup> Christine Haughney, "When Economy Sours, Tootsie Rolls Sooth Souls," *The New York Times*, March 23, 2009, A1.

<sup>2</sup> candyindustry.com.

### **The Kraft Vice President for Immediate Consumption is**

optimistic about the future of snacking. Speaking at one of nine information sessions offered in the Candy Time Today room throughout the three days of the All Candy Expo at the McCormick Center in Chicago in May, Jill Manchester offered only cheerful news about the way America stuffs its face. Between-meal snacking increased by 16 percent in the last decade, she happily told her audience of about 250 buyers and sellers of candy and snack products, and the average American now eats at least four meals a day. A snack has become a “meal occasion,” with “an absence of negatives and a presence of positives.” Her audience took notes and munched on bowls of miniature Hershey’s Bliss bars (“Bliss is everywhere. You just have to unwrap it”).

With “Between-Meal-Eating” projected to grow by an additional 18 percent by 2018, and more people eating “while involved in other activities,” the strongest snack market across every consumer segment (gender, age, ethnicity) is the “positive” the industry calls BFY (Better For You), which is defined by perception and image along with actual wholesomeness and nutritional virtue. (“Healthy indulgence” were buzz words repeated in several information sessions.) Pointing at a graphic in her snappy PowerPoint presentation showing the surge of energy and protein bars in the all-important BFY category, Ms. Manchester marveled, “That thing is on fire!”

But candy sales are booming too, especially in the “classic” category. Although recent years have seen soaring sales in dark chocolate marketed with a gourmet and BFY identity (thus the strategic deployment of the word “cacao” on labels of low-intensity chocolate), today, the future belongs to the candy of the past. Both Hershey and Just Born are even featuring limited editions of some of their candy lines in appealing reproduction wrappers that prompt nostalgia for a simpler, easier time in life and also reinforce the iconic brand identity of a Hershey’s Bar or a box of Mike and Ikes. Your job may have been downsized, but your waist will be upsized by the comforting Hershey bar at the check-out that reminds you of the freedoms

of endless childhood summers, the thrill of spending your allowance money on treats you devoured with happy greed.

The All-Candy show, in its vast, sugary, salty, crunchy, gooey, frenetic, seductive entirety, was a showcase for the schiziness of obese, pigging-out, incessantly snacking America’s obsessive concern with health and fitness. Fourteen thousand show-goers were introduced to some 2,000 new products displayed by more than 450 exhibitors. Generous quantities of free candy of every variety charged the aisles with the excitement of trick-or-treating, though candy could be carried off the show floor only in the official show sample bag (and these un-large paper shopping bags were issued carefully, with computerized lists and a notch in one’s show badge to indicate that one has received said bag), a practice intended to discourage anyone from helping themselves to unreasonable quantities. Even so, and even though access to the show is strictly controlled by the National Confectioners Association management, with children under 16 prohibited, press credentials verified, and the public not allowed in at any price, there are inevitably ants at this picnic. Zealous attendees pried loose display items taped onto shelves, lifted lavish press kits left momentarily unattended, and approached sampling opportunities as if driven by the urgency of the final championship round of *Supermarket Sweep*.

New products this year ranged from the virtuous—Clif Bar & Co.’s new organic Clif Shot Roks (“pop and go protein bites” with two grams of protein per Rok), Deep Knee Beans (“functional jelly beans” with 500 mg. of joint-health-nutrient activMSM per bag), and Vitamin Mints (the three young partners launching Vitamin Mints explained that an annoying woman was sitting on the rights to the name Vitamins)—to the junky and dubious—Man Bait Maple Bacon Lollipops, brain-shaped and sour-liquid-filled Trolli Brain Surge Gummi candies in a range of flavors, and Intoxi-Tators (non-alcoholic “cocktail-inspired” beer-, Bloody Mary-, and margarita-flavored potato chips—“Eat your drink and be merry!”) to name just three. Last year’s most dubious new product might have been Tung

Toos (sugary tattoo decals for the tongue), which can now be purchased at Wal-Mart.

"Affordable indulgence" were also buzzwords of the show, uttered by countless candy and snack people all over the floor, among them Tom Joyce, Vice President of Customer and Industry Affairs at Hershey and this year's Chairman of the All-Candy Expo Committee, who used the phrase "affordable indulgence" three times in our ten-minute chat. He said that candy is appealing to the cautious consumer in a time of economic uncertainty because it "consistently offers consumers value, familiarity, and comfort."

How's the candy business doing in the current economy? Is it really a recession-proof industry, as so many newspaper articles insist? Are we repeating the patterns of the Depression, when the escape offered by candy, alcohol, cigarettes, and movies helped those industries thrive in an otherwise bleak time?

In the Haribo booth ("Kids and grownups love it so, the happy world of Haribo"), where an undulating, glistening rainbow of heaped bowls offered an intoxicating gummi buffet to those show attendees with a penchant for soft, non-chocolate confectionaries, Haribo rep Margie Walter said, "It's a cheap comfort!" Haribo sales are "great, our numbers are up," she declared, adding, "Someone might not be able to afford a new car or vacation, but they can always buy a 99-cent bag of Gummi Bears!"

"Candy is a bargain!" said Just Born's David Shaffer, co-CEO with his cousin Ross Born of their 86-year-old family business. Just Born, makers of Peeps, Mike and Ike, Hot Tamales, Teenie Beanees, and Peanut Chews, is thriving, with Mike and Ike and Hot Tamales holding the number-one and number-three positions in the burgeoning category of "Sugar Candy Theater Box" sales. (Milk Duds, a venerable 1928 candy brand that has survived numerous changes of corporate ownership through the years and is now owned by Hershey, holds the number-two position.)

Annabelle Candy makes Rocky Road, Look, U-No, Big Hunk,

and Abba-Zaba, each in various permutations. If you didn't grow up west of the Rockies, only the zeitgeisty Abba-Zaba, a quirky taffy and peanut butter piece in a distinctive yellow and black checkerboard wrapper, may be on your radar. Annabelle's CEO Susan Karl (her grandfather founded the company in 1950) shares the Just Born enthusiasm for theater-box candy sales. Karl pointed out that, in the last year, the big companies raised prices on their count goods—the price of a box of full-size candy bars or the equivalent—incrementally, and the smaller companies have followed, so the numbers have gone up whether or not actual sales have increased. Karl is philosophical about the candy business, and has a refreshingly independent willingness to discuss the nuances. We discussed why theater boxes are such a successful category these days. "The box is like a billboard for the product, it stacks more easily than bags, you don't have to wrap the individual candies, and it can be closed up to save the rest for later," she observed.

Theater boxes were, obviously, originally developed for sale in theaters, possibly because unlike bags, theater boxes, also sometimes called movie boxes, don't make crinkly sounds when you rummage around for another piece of candy while chomping away in the darkness. Boxes may also seem like a good deal in a supermarket or convenience store, the way a super-sized fast-food meal is a good deal. Boxes are an efficient way to package a quantity of shareable candy, since boxes are vessels for candy in pellet and morsel form, from the popular Mike and Ike, Lemonheads, Jujufruits, Dots, Good & Plenty, and Junior Mints, to Annabelle Candy's more obscure Abba-Zaba Mini Morsels, Rocky Road Double-Dipped Bits, and Big Hunk Mini Morsels.

Pellets and morsels, boxed or not, are also hot because, being small, each piece is low in calories. They function as BFY brand extensions, familiar yet new, and every major candy company had new minis and pieces and bits on display at the All-Candy show, from Hershey's York Peppermint Pattie Pieces and Almond Joy Pieces, to

two unlikely new M&M options from Mars, Limited Edition Strawberry Peanut Butter M&Ms and Limited Edition Coconut M&Ms (both coming this summer).

Coconut-flavored chocolate pellets, like the new Hershey's Almond Joy Pieces, I asked the Mars people? Coconut-flavored chocolate pellets, like the new Coconut M&Ms, I asked the Hershey people? Neither team would utter a word about the other product or even speak the name. Trying to get Hershey people to say "Mars" or Mars people to say "Hershey" is like trying to make the guards at Buckingham Palace crack a smile.

Tootsie Roll Industries is going strong after 113 years, and the Tootsie Roll people said they were having a great show and a great year. "Who can't afford a Tootsie Roll?" said a buyer sampling a kiss-wrapped fudgy cylinder from a sample bowl.

The Joyva Halvah representative was grumpy, and reluctant to divulge any information about anything, including his own name, but he said business for Joyva is "always very good." In addition to making their own halvah and candies, they are also significant suppliers of tahini as an ingredient to other brands, which provides the company with a steady income stream apart from sales of their own products. There is a tahini pipeline under Varick Street in Brooklyn, running between the two buildings occupied by the Joyva factory.

At the American Licorice Company booth, the virtues of Red Vines were enumerated (preaching to the choir!) by two guys wearing Red Vines shirts who called their product "an affordable indulgence."

Mitchell Goetze, fifth-generation CEO of Baltimore-based Goetze's Candy Company, makers of Cow Tales and Caramel Creams, didn't use any of the buzzy terminology in circulation at the show. He spoke fervently about the cost of doing all his manufacturing and sourcing of commodities in the United States, which is a point of pride, while competing against cheaper imports or American confections made with imported ingredients. "Things are good for us, we're a small, familiar brand, and we have loyal customers," he said, "but

we work to keep it going." Goetze's introduced two new products at the show: a licorice-caramel cream, and, new for them, a BFY piece, a chocolate caramel fortified with calcium and fiber. They are also doing well with theater-box sales of Cow Tales and Caramel Creams.

The Pop Rocks lady (a sales rep for the Spanish company Zeta Espacial S.A., which makes Pop Rocks) said business for the popping candy with 99 percent national-brand recognition was "excellent" and pointed out that Pop Rocks are "cheap, so it's an affordable indulgence."

Verve, Inc., a small, Providence-based company devoted to making all-natural Glee Gum ("from tree to Glee"), is, according to owner Deborah Schimberg, "doing really well, holding our own." They have just introduced Wee Glee miniatures.

The Spangler Candy Company, 103 years old, makes Circus Peanuts and Dum Dum Pops. Jim Knight, Marketing Vice President, said, "Dum Dums are an inexpensive treat. Even when times are tough, parents won't forego making their children happy with a bag of 360 Dum Dums they can buy at Sam's Club for what, less than ten bucks?"

Palmer's Candies of Sioux City, Iowa, was founded in 1878, and Bob O'Neill, Vice President of Sales, said, "We're not going anywhere." Known for the rather strange Twin Bing, a pair of scrotumal cherry-flavored-nougat lumps covered with crushed peanuts and a chocolate coating (Twin Bings have a devoted following in Iowa), Palmer's is exceptionally well-positioned to ride out the recession because consumers are moving down a notch in candy and snacks, to private store brands, and Palmer's does a great deal of private-label contract work. (Who makes what for whom is closely guarded intelligence.) Palmer's also has a robust rebagging business, and they are doing "exceptionally well" with a group of twelve classics they sell to retailers, which includes Bit-O-Honey, Wax Bottles, Boston Baked Beans, Sixlets, Peppermint Twists, and Goetze Caramel Chews.

Topps, purchased by Michael Eisner's Tornante Company in

2007 for \$380 million, is “doing very, very, *very* well” according to CEO Arthur Shorin, the voluble son of co-founder Joseph Shorin (the original model for Bazooka Joe, the eye-patched character introduced in 1953 in comic strips wrapped around each piece of Bazooka gum). With plans for a Bazooka Joe movie in the works, Topps is optimistic that their iconic bubblegum, whose flavor has extraordinarily high recognition-value to people of all ages, will continue to outsell all other bubble gums, just as sales of their Ring Pops, Push Pops, and Baby Bottle Pops stay very strong.

In the impressively vast Mars area at the show, Vice President of Sales Larry Lupo said, “Mars is a brand that is a promise to consumers,” because Mars has made a commitment to “real chocolate,” in contrast to chocolate candy made with vegetable fats replacing cocoa butter, a promise not made by a certain other unmentionable iconic brand (“If it’s Mars, it’s real chocolate”). In response to the recession, when consumers are using more coupons and looking for better values, Mars, Lupo explained, has just introduced their Real Chocolate Relief program, a coupon giveaway at RealChocolate.com for 7 million free full-size Mars candy products. Coupons are available on Fridays, are limited to one per person each week, and take six weeks to arrive in the mail; surely the Mars program was devised by a Vice President for Delayed Gratification.