

Ferrero: a Global Player

The Italian company increases its presence in the US market

The US confectionery industry may be floundering because of a lower demand for chocolate, but that hasn't stopped Ferrero, the Italian producer of Nutella, from betting on the market.

The multinational has recently paid \$2.8 billion to acquire Nestlé's US confectionery business, which includes American brands such as Butterfinger, Baby Ruth and Nerds.

The sale is the latest move by the company, which has already built a stable of household brands, such as Ferrero Rocher, Nutella, Kinder and Tic Tac.

Over the last 70 years Ferrero has grown from a small family run confectionery business to a global player with a turnover of €10.5 million and a workforce of about 35.000 people.

Ferrero was founded in 1946 by Pietro Ferrero, who started to make chocolate for his wife's pastry shop. His decision to use hazelnuts to save money on chocolate became the key to the company's fortune when Pietro's son Michele launched the recipe as Nutella in 1964. What began as a pastry shop soon developed into a factory and is now a global business and the third largest confectioner in the world.

In 2015 Ferrero kicked off a new era of expansion. That year the company acquired hazelnut supplier Oltan, which collects, roasts and trades hazelnuts in Turkey. It also bought a British chocolate company, Thorntons. According to reports, shares in Thorntons rose by as much as 42.9% after the acquisition was announced.

In 2017 the company turned its attention to the USA in an effort to capture more of the market share there. It acquired a number of US chocolate brands before making its bid for the giant Nestlé.

Today Ferrero International, the parent company of the Ferrero Group, has 23 operating manufacturing plants and 91 subsidiaries around the world. The Group's products are presented directly or through authorised distributors in over 170 countries.

(source: *Fortune* and www.ferrero.com)

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