# Preface

One of the inspirations for this book is the captivating history of a chocolate brand that has been a presence in the Polish market for three centuries. The economic interweaving of German and Polish destinies can be exemplified through the multifaceted story of the renowned chocolate producers from the Wedel family. However, let us begin... with the conclusion. The most intriguing paradox is that, despite multiple changes in ownership throughout the years, a significant number of consumers still perceive Wedel as a Polish family enterprise with a centuries-old heritage and one with a family touch (inter alia, Mazur-Wierzbicka, 2017; Nikodemska-Wołowik & Gierczak-Grupińska, 2016).

The origins of the Wedel factory date back to 1851 when German entrepreneur Carl E. Wedel, a master baker, established his confectionery plant in Warsaw. Nineteen years later, his son, Emil Wedel, inaugurated a steam chocolate factory. All the products, which were highly popular in those days, bore the factory's stamp: "C.E. Wedel." The broad range of offerings received high acclaim from customers, including Wedel confectionery, its elegant cafes, and small specialty stores. The labels on the packages were personally signed by the owner, a deliberate strategy to counter anonymity and emphasise that the company was built by specific individuals. This approach enhanced the enterprise's credibility, elevated its prestige, and fostered trust.

Notably, the Wedel family not only established successful businesses but also imbued them with a personalised character and style. Their success was closely tied to the family's dedication to creating a positive atmosphere within the company. As Emil Wedel once said, following the well-known contemporary maxim "people first": "I want to know all my staff, all my workers by name, I want to work, eat, and play with them" (Nikodemska-Wolowik, 2006).

This approach was quite unusual for its time. In 1918, Poland achieved independence, and between the World Wars, Wedel enjoyed a period of growth with the introduction of new machinery and improved production processes. The owner was highly innovative, envisioning one of the most modern factories in Europe, and can be considered one of the pioneers of corporate social responsibility. The staff enjoyed numerous amenities, including their own swimming pool, gym, sports club, orchestra, club with a theatre, newspaper, crèche, kindergarten, and a consulting room with a surgery. This nurturing environment contributed to the company's overall effectiveness. The Wedel family continued to lead the way with a modern approach to business until the outbreak of World War II when the Nazis took control of the factory for wartime production. Following the war, the communist government nationalised the Wedel company, displacing its owner, Jan Wedel, and changing the company's name to the "*July 22nd Factory of Confectionery Industry*" (22.07.1944 – a symbol of the beginning of the communist era in Poland). Surprisingly, a compromise was reached during this period, adding "former E. Wedel" to the factory's already lengthy and somewhat unusual name. Individuals from various sectors – both domestic and foreign – continued to remember the Wedel family's reputation as a symbol of modern, honest management, trustworthiness, superior quality, and prosperity in the Polish economy, despite the challenges inherent in a centrally planned economy. Throughout this time, up until the momentous year of 1989, the company thrived. During the initial phase of Poland's economic transformation in 1990, the government sought a foreign investor for one of the few prosperous enterprises, which led to the brand changing hands multiple times and coming under foreign and multinational ownership. Nonetheless, in Poland, both consumers and staff affectionately refer to it as "our Wedel." Additionally, according to various contemporary market research reports, Wedel remains classified as a top-tier trademark in Poland and ranks among the most recognised and highly regarded Polish brands in Germany, a significant trade partner. Furthermore, for many years, it has remained a favourite product among Polish emigrants (Oktaba, 2004).

# Introduction

The history of Germans and Poles has been intricately linked for centuries, largely owing to their close geographical proximity. Nevertheless, significant systemic changes in both nations, prompted by the collapse of communism in Central and Eastern Europe at the close of the 20th century, further strengthened their ties. The demise of the regime facilitated substantial transformations, particularly in reshaping socio-economic and political landscapes in the former German Democratic Republic (officially named from 1949 until reunification with the western sister, Federal Republic of Germany, in 1990) and the Polish People's Republic (officially designated from 1952 until 1989).*

This book focuses on business issues, and thus, it is worth shedding light on trade between these countries. Poland is Germany's fifth and fourth largest trading partner in exports and imports, respectively. During the SARS-CoV-2 pandemic that broke out in 2020, Poland became the fourth largest supplier to its western neighbour, overtaking France, and has been recording a trade surplus with Germany since 2012 (EUR 9 billion in 2021) (Ambroziak et al., 2022).

Furthermore, Germany remains the main business partner of Poland and their bilateral trade grew 14 per cent in 2022 (Minder & Pitel, 2023).

Interestingly, due to these transformations, the German–Polish borderland is evolving into a more socially integrated region. A substantial portion of the interactions occurring there surpasses the typical exchange of goods between neighbours. In the second and third decades of the 21st century, residents of these areas have cultivated diverse connections. Nevertheless, in the realm of minor cross-border transactions, it is noteworthy to highlight the specific product category under scrutiny in this study – confectionery. Even before major German retail chains entered the Polish market, various sweet brands were already accessible, thanks to small-scale traders and "suitcase" imports/exports. These products have gained popularity and become ingrained in the consciousness of Polish consumers. Yet, Germans visiting Poland eagerly reached for local products, especially chocolate from reputable companies. However, eating habits are changing globally, and consumers in both countries are becoming more and more knowledgeable about a healthy lifestyle, which has an impact on the confectionery market.

It is essential to highlight the unique characteristics of the confectionery market from the supply side. Manufacturers of confectionery products face a distinctive

* The current full name of the countries: Germany – Federal Republic of Germany; Poland – Republic of Poland

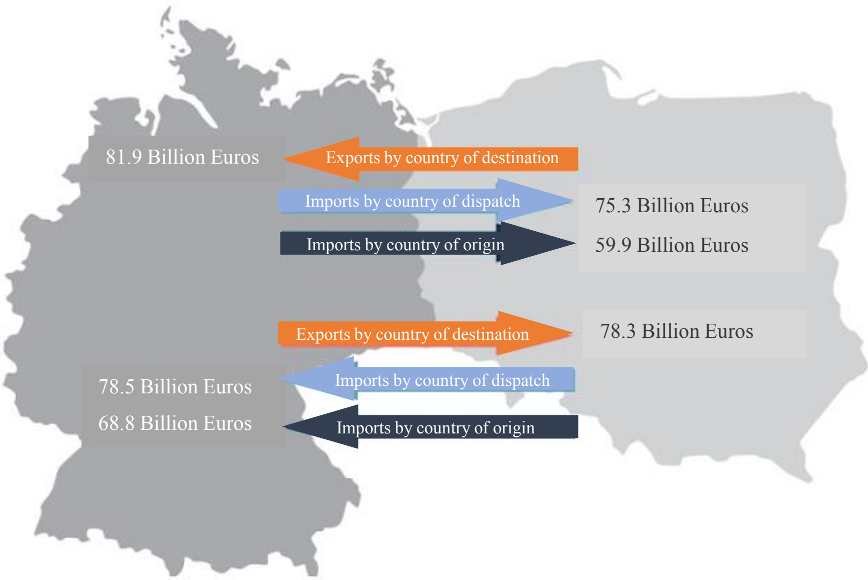


**Figure 1.** Infographic: Poland records a trade surplus with Germany. Poland–Germany flows by different import categories and data sources (in Billion Euros), 2022

*Source: Polish Institute of Economic Research (PIE) based on data from the Central Statistical Office (GUS) and Destatis and Eurostat data.*

situation where exponential growth is not the norm, as expanding production capacity poses significant challenges. The expansion of production capacity hinges on the availability of specialised machinery, each requiring suitable facilities within a well-constructed building situated on an appropriate plot of land. Given an average construction period of approximately 2 years for a building and an additional year for planning, construction, and machinery upgrades, there is an approximate lead time of 3 years before a capacity expansion can be seamlessly integrated into operational business processes (Drechsel, 1996). In practical terms, this means that manufacturers need advanced knowledge of expected trends to construct the necessary machinery that aligns with market demand. In the absence of such foresight, managing short-term surges in demand with existing equipment becomes crucial. This involves operating machines at their maximum capacity by running multiple shifts on as many days as possible. However, this approach also necessitates having a sufficient number of skilled employees available to handle the increased production load effectively.

This monograph incorporates such observations and explores the dynamic shifts in consumer preferences that drive consequential changes. The focus lies on the confectionery market, an industry that creates and offers non-essential products, not crucial for survival but undoubtedly enhancing the quality of life. Notably, people generally hold a positive attitude towards sweets. Confectionery spans both affordable and premium price segments, allowing consumers, based on their disposable income, the flexibility to choose their preferred price level. This makes these consumer goods particularly intriguing for a deeper exploration of the factors influencing purchase decisions. While luxury items often provide limited choices and are seldom available at lower price points, confectionery offers consumers a diverse range of options. Additionally, the inherent characteristics of these products play a crucial role, contributing to increased complexity in the production process (as discussed in "Inventory Management and Production Planning and Scheduling," 1999). In alignment with this research direction, the eating habits of consumers assume a crucial role. Companies involved in confectionery production must possess the ability to anticipate potential purchasing incentives and identify which trends to follow. Consumer purchasing decisions and production capacity undergo asynchronous development. To address this disparity, a thorough exploration of the eating habits of German and Polish consumers was undertaken. In comparing consumption behaviour between the German and Polish markets, Germany emerges as the larger market, with Poland ranking second in sales volume (Süßwaren & Snacks – Deutschland, 2024). It is imperative to scrutinise this 'uniformity' approach more closely. If country-specific strategies were replaced with product-specific advantages, it could potentially lead to increased profits in confectionery sales. This study is primarily centred on markets situated in close proximity to each other. However, a knowledge gap exists regarding the extent to which these two markets differ in terms of confectionery consumption. While findings from other segments of the industry are available, there is a dearth of research specifically pertaining to the confectionery market, and studies in the international context are relatively scarce (Çağlayan & Astar, 2012; Hartmann et al., 2017; Maciejewski et al., 2020).

Nevertheless, both the German and Polish markets show a consistent upward trend. Overall consumption of sweets has risen in recent years, accompanied by shifts in preferences within individual product categories. Additionally, it is fascinating to observe a number of distinct similarities between the preferences of Germans and Poles, particularly with regard to certain chocolate brands.

The primary objective of this study is to delineate consumer behaviour within the confectionery market, specifically focusing on chocolate, in both countries under consideration. This research highlights the similarities and differences in consumer preferences, contextualised within the global trends in the production and consumption of these food products. Furthermore, this study endeavours to uncover the factors influencing consumer decisions. An exploration of these determinants provides a comprehensive understanding of the complex nature of consumer behaviours in Germany and Poland. This understanding offers invaluable insights for academics, businesses, marketers, and policymakers.

To achieve the above-mentioned goals of our study, the following empirical research was performed. Extensive research was carried out on secondary sources, i.e., a literature review, analysing books, scientific articles, statistical reports, as well as materials from enterprises and organisations related to the production of sweets. Furthermore, an internet survey method was conducted to assess consumer behaviour in confectionery consumption from November 14, 2020, to February 27, 2021, employing an original survey questionnaire. Currently, a web survey represents one of the most prevalently utilised indirect research techniques (Kucharska et al., 2024).

The study faced a notable challenge in gathering data from two distinct markets. The objective of the research was to secure a sufficient number of participants to validate the assumptions while ensuring a consistent response rate. The survey targeted private individuals in Germany and Poland aged between 18 and 90 years. The age-related criteria were established to ensure participants could effectively assess confectionery consumption within their households and actively contribute to the survey. For older participants, internet access was a prerequisite for survey participation. The Alpha generation was not included in the study, as participants in this age group are too young to consciously report on their purchasing decisions or estimate their household purchasing power.

German consumers provided 255 fully completed questionnaires, while Polish consumers submitted 215 completed surveys. The following figure illustrates the breakdown of responses by age group according to Berkup.

Table 1. Breakdown of responses by age group according to Berkup

| | Generation | Quantity | Percent |
|---|---|---|---|
| **Germany** | Baby Boomers | 38 | 14.9 % |
| | Generation X | 70 | 27.5 % |
| | Generation Y | 139 | 54.5 % |
| | Generation Z | 8 | 3.1 % |
| **Poland** | Baby Boomers | 55 | 25.6 % |
| | Generation X | 68 | 31.6 % |
| | Generation Y | 62 | 28.8 % |
| | Generation Z | 30 | 14.0 % |

*Source: Own elaboration.*

The monograph constitutes a thorough exploration of diverse facets associated with chocolate consumption on a global scale, as well as within the specific contexts of Germany and Poland. The book is organised into several key sections, each unfolding its respective theme. In the inaugural chapter, “Chocolate as a Food Product,” the discussion delves into the essence and historical evolution of chocolate, illuminating its transformation into a globally consumed food product. The subsequent section, "Chosen Aspects of Sustainable Consumption," directs attention towards sustainable practices in chocolate consumption. It intricately examines the evolution of consumer consciousness and the environmental repercussions of cocoa farming and introduces certification organisations dedicated to promoting sustainability in the chocolate industry. For this chapter, consultations were held with the distinguished expert in sustainable development and fair-trade, Mr. Tadeusz Makulski, whose statement is quoted in this section. Moving forward, "German and Poles – consumer behaviour and beyond" transports readers into the historical and cultural tapestry of Germany and Poland. It probes the historical relations between Germans and Poles, scrutinises prevailing stereotypes, evaluates the size of the chocolate market in both countries, and dissects the conditions shaping consumer behaviour. The fourth chapter, "The purchasing preferences of Germans and Poles in relation to chocolate" hones in on a detailed profiling of chocolate consumers in both nations. It dissects the popularity of chocolate, consumer preferences, purchasing habits, and prevailing market trends. Additionally, it conducts a segmentation analysis of the chocolate market. The final chapter, "Factors influencing the purchase of confectionery, especially chocolate" provides a holistic understanding of how various factors related to consumers influence their attitudes towards chocolate.

This book offers a comprehensive outlook on chocolate consumption, seamlessly weaving together historical perspectives, global trends, and analyses of consumer behaviours within the dynamic markets of Germany and Poland.

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# 1 Chocolate as a food product

## 1.1 The essence and history of chocolate

The history of cocoa begins centuries ago, where archaeological evidence points to its pre-Columbian use in various regions. Originally, it was believed that around 3900 years ago in Mesoamerica and Central America, and a thousand years later in the southwestern United States, people started using *Theobroma cacao*, or "food of the gods," the plant that became the source of cocoa. *Theobroma cacao* is the scientific name for the cocoa plant, given by the Swedish botanist Carl von Linné in his famous book *Species Plantarum* (Poelmans & Swinnen, 2016). *Theobroma cacao* holds significance as an economic tree. It is an evergreen tree from the Sterculiaceae family, originating in the tropical regions of the Americas. It thrives in shade, requiring humidity and temperatures above 16 degrees Celsius for growth and a dry, warm environment for drying.

Recent genetic studies, however, indicate that the greatest genetic diversity of *Theobroma cacao* is found in the humid forests of the upper Amazon tributaries, suggesting that its early use and initial domestication occurred in that part of the world. Archaeological discoveries in Ecuador confirm the use of cocoa around 5450 to 5300 years ago, surpassing earlier usage dates in Mesoamerica and Mexico by approximately 1.5 millennia. Ethnographic and ethnohistorical sources detail the diverse uses of cocoa species in the genus *Theobroma*, as well as the wild, related genus *Herrania*, in South America. These include using the seeds for medicinal and culinary purposes, consuming the pulp fresh, preparing it as a juice, or fermenting it into an alcoholic beverage. Additionally, medicinal extracts and infusions are prepared from the bark and leaves (Zarrillo et al., 2018).

The significance of cocoa heightened during the Maya empire. It was used as the main ingredient in a drink consumed by humans and in religious rituals as an offering to the gods. The third key role of cocoa was its function as a fungible commodity (i.e., money) in commercial transactions. The Aztecs, in turn, used cocoa beans to make chocolate drinks. They were prepared by pouring the hot mixture from one vessel to another to create foam and enriching them with herbs, sweeteners, and aromas – various flowers, vanilla, chilli, or herb anguela (Poelmans & Swinnen, 2016).

The introduction of chocolate to Europe occurred in the 16th century when Spanish explorers, including Hernán Cortés, encountered the flavourful substance in the Americas. Chocolate made its way to the Spanish court, where it underwent transformations, incorporating sugar and other flavourings to suit European tastes. The froth on top of the beverage was created in a different manner than the Aztecs – instead of pouring, it was achieved by frothing the hot drink, using a large wooden stirring tool called a "molinillo." At the end of the 16th century, the Spanish began to call cocoa infusions chocolatl, and later – chocolate.

And when did chocolate come to Germany and Poland? By the early 17th century, chocolate had made its way to Germany, already familiar in other European nations like Spain. In Germany, for quite some time, chocolate was exclusively sold in pharmacies as a medicinal and restorative substance. A significant shift occurred in 1673 when a café in Bremen, established by Dutchman Jan Jantz von Huesden, began offering chocolate as a treat (*The History of Chocolate*, n.d.). In Poland, chocolate's introduction occurred slightly later, around the mid-17th century, primarily within the royal court. A notable reference to chocolate in Poland is found in a 1665 letter from King Jan III Sobieski of Poland to his wife, Marysieńka, wherein he requests "ciokolata." The letter's mention of "wood for argument or confusion" likely refers to a molinillo, a traditional tool used for frothing and stirring hot drinks, particularly hot chocolate. This tool, typically carved from a single piece of wood, resembles a whisk. The king's reference to a "pot" in the same letter is believed to be about a chocolatière. This historical correspondence is a clear testament to the Polish monarch's early appreciation and understanding of chocolate, predating the Swiss, who later became renowned as chocolate magnates (*Napój Królów*, n.d.)

The 17th century witnessed the rise of chocolate houses in Europe, akin to coffee houses, with the beverage gaining popularity among the elite, although in England it was available to anyone who could afford it. As the centuries progressed, innovations in processing techniques, such as conching and refining, revolutionised chocolate production during the 19th century. Coenraad van Houten's invention of the cocoa press in 1828 allowed for the production of cocoa powder, paving the way for the creation of solid chocolate. In the 19th century, Switzerland also became a significant centre of chocolate production innovation. Key figures in this development were François Cailler and Philippe Suchard, who invented their own chocolate-making machines. Suchard, for instance, introduced the "mélangeur," a mixing machine that played a crucial role in the further advancement of the chocolate production process. The late 19th century saw the introduction of milk chocolate by Daniel Peter and Henri Nestlé, who incorporated condensed milk, resulting in a smoother and sweeter chocolate.

Cacao, which was initially used primarily by the elite of society and was associated with rituals and ceremonies, over time became more accessible to a wider audience. Due to growing supply and demand issues in the original cocoa-producing regions and the subsequent high prices for cocoa beans, cocoa production began to shift to other parts of the world: the Caribbean, Asia, and even Africa when the Portuguese introduced cocoa beans in São Tomé and Príncipe. In turn, chocolate bars gained prominence in the early 20th century, thanks to companies like Hershey's and Cadbury, while Tobler introduced the distinctive triangular Toblerone bar in 1908.