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Emily Shire



How Nutella Conquered America

It's been a staple on European shelves for years, but the hazelnut spread's path to cult status here has been slower. On its 50th anniversary, the brand is celebrating its U.S. niche.

Women in sleek black dresses and men with messenger bags checking their smartphones, hipsters in flannel and sunglasses, parents with babies strapped to their chests, and lucky tourists lined the perimeter of New York's Madison Square Park on Monday. But the crowd wasn't gathered for a concert, club opening, or celebrity sighting. This was a 50th anniversary celebration for Nutella.



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Pietro Ferrero of the small Italian town of Alba likely never could have imagined that his hazelnut spread would draw such a loyal and diverse following in one of the most cosmopolitan cities in the world. In 1946, he created Giandujot, a solidified form of Nutella, as a means of using hazelnuts to get scarce and expensive chocolate to go a long way. He eventually launched a spreadable version, Supercrema, but it was not until 1964 that his son, Michele, launched today's version of Nutella in its classic jar.

While Nutella is a relatively new product for American consumers, it has lined European pantry shelves for decades. On the Continent, the public's passion for Nutella has driven hungry citizens and even politicians to great lengths. As part of its 2012 austerity plan, the French government tried to raise revenues and promote healthy eating by taxing palm oil, which is one of Nutella's main ingredients. Though the "Nutella tax" passed, the public backlash against it spurred a coalition of conservative and communist senators to defeat the entire social security budget that included the tax. Le Monde praised the "Nutella-Communist" alliance for saving the country.

Nutella is still not as ubiquitous Stateside as it is in Europe, but it is certainly coming into its own. Last year at Columbia University, undergrads were so enamored of their beloved Nutella that they would swipe it by the jarful out of the dining halls, costing the university as much as \$5,000. The incident was a testament to the hazelnut spread's growing, cult-like following in the United States, especially among younger Americans.

But Nutella's path to American hearts has been far slower and more meandering than its European route to success. After appearing on supermarket shelves in the Northeast as early as 1983, it would be decades before it had the kind of fan base that might spend a workday morning queued up to celebrate its existence. "In the last five years, we started advertising, and that's when it really started to pick up," said Eric Berger, senior brand manager on Nutella. The advertising push has certainly paid off for the brand's bottom line: In the past five years, sales have tripled to more than \$240 million.

But Nutella has been more than a financial success Stateside; it's become a food phenomenon, thanks to an incredibly devoted following of fans. Not for nothing are consumers creating their own Facebook pages, Twitter accounts, and even a holiday, World Nutella Day, to honor the spread. Despite the fact that Ferrero SpA, the Ferrero family company that owns Nutella, rather stupidly tried to quash these fan-driven celebrations initially, the legion of devotees has only grown.

Nutella's success is all the more noteworthy considering it was trying to penetrate a consumer base plenty satisfied with its classic peanut butter spreads. In this environment, Nutella's cult fan base enabled the brand to create a space and thrive. "In every category, one brand has what we call a cadre of super fans," says Grace Leong, managing partner at Hunter Public Relations. "It is very rarely the biggest group of fans, but it is the brand that Nos. 1, 2, and 3 look to and wonder how they can manufacture it." Among nut and chocolate spreads, that brand is Nutella.

It isn't just the fans, though. As with everything, timing also played a major role in Nutella's rise to cult status. "There has been a shift, particularly after the recession, to consumers valuing individuality and personalization of 'What brands mean to me,'" says Leong. This feeling is particularly strong among millennials. "They don't want to eat what their parents ate. They don't want Skippy. They want quirky. They want Nutella."

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public relations echoed that sentiment, saying Nutella fits into a larger consumer drive to be part of a unique and elite foodie culture. “It’s certainly this need for people to discover something and be the first in their circles to share it,” she says.

And Nutella can play the foodie card only in America, Leong points out. “In Europe, they are the Skippy. Here they can leverage their cool European edge.”

However, as Nutella grows in mass appeal, it may be easy for the brand to lose that edge. Walking around the 50th anniversary celebration on Monday, I was bombarded by people in Nutella T-shirts handing me stickers and coupons, and encouraging me to take photos with Nutella paraphernalia. It all felt a bit forced

and commercialized. “There is danger in losing your cult status,” says Leong, citing a former client, Altoids. When Altoids first arrived in the U.S. from Europe, it also had a small, evangelical following among musical artists who used it to clear their throats. Then, it went big and ultimately became just another breath mint.

Still, Nutella seems highly aware of the importance of erring on the side of niche. Monday’s celebration featured the James Beard Award-winning Dominique Ansel and his event-exclusive Nutella-filled cronut hole. It felt a bit contrived—but also sent a clear message that Nutella is the spread of foodies.

Nutella also is opening a Nutella bar inside Eataly, Mario Batali’s popular New York City Italian food hall. The partnership is another smart move to solidify the brand’s insider-foodie rep while at the same time widely publicizing that status. “The fact that it’s in Eataly, not ShopRite, it’s keeping it niche,” says Leong.

Of course, playing the cult favorite card has its drawbacks. Brands that control a far greater share of the American market are waking up to the appeal of chocolatey hazelnut spreads. Both Jif, the long-reigning No. 1 peanut butter brand in America, and Hershey, which is responsible for 40 percent of the nation’s dark chocolate sales, have launched their own Nutella-esque spreads. Roberto A. Ferdman at Quartz warned earlier this year: “With big advertising plans for the new Hershey’s spreads, it might not be long before Americans are spreading Hershey’s, not Nutella, on their toast.”

But Leong says she doesn’t think it’s time for Nutella to cower just yet. “They [Nutella] invented the category. They will always have that,” she says. “As long

as you hold onto what made that brand great in the beginning, you might not make the most money but you will get that respect from consumers. Everyone else is an imitation.”



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