



## Hershey sets sights on better-for-you confections



Photo: The Hershey Co.

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HERSHEY, PA. – The Hershey Co. is looking to grow its reach in the better-for-you chocolate category.

Building on its strength in portion-controlled choices, the company plans to expand its portfolio to deliver more reduced sugar, organic and plant-based alternatives.

“We’re primarily focused on sweet indulgence, though that is growing and evolving over time,” said Michele G. Buck, chief executive officer at Hershey, during a Feb. 17 presentation at the Consumer Analyst Group of New York virtual conference. “One of the areas where we have opportunity is in better-for-you, and within that, one space is within our own category. If we look at many other indulgent categories in the marketplace, many of them have a greater proportion of better-for-you items.”

The company will expand its Thins platform with the addition of Kit Kat Thins in February, and it will explore new opportunities for delivering portion-controlled treats in a variety of pack types across its core brands.

It also will add more reduced sugar items under its newly relaunched sugar-free platform.

“We’re re-launching our sugar-free platform, which was launched many years ago as a product for diabetics, as zero-sugar,” Ms. Buck said. “It will have Hershey’s, Reese’s and a couple of other varieties.”

In an earnings call (<https://www.foodbusinessnews.net/articles/17876-price-increases-sugar-free-innovation-on-tap-from-hershey>) with analysts earlier this month, Ms. Buck said the relaunch is similar to what is being done in beverages and other categories around sugar-free.

“Those products are just positioned entirely differently in a much more contemporary way,” she said. “That’s really our goal.”

Hershey will launch its organic line this year, beginning with four products: Hershey’s, Hershey’s Special Dark, Reese’s and Reese’s Dark. New plant-based products also are in the pipeline, beginning with a vegan Kit Kat.

“Our consumers rely on us to understand their needs for everyday moments, seasons and special occasions,” said Kristen Riggs, chief growth officer at Hershey. “Expanding our expertise, building new capabilities and delivering more choices in better-for-you confection is the next big category opportunity for us to lead.”

As part of its better-for-you confection strategy, Hershey partnered with ASR Group, a West Palm Beach, Fla.-based sweetener company, to co-lead an equity investment in Bonumose, Inc., a startup focused on plant-based ingredients, including rare and natural sugars. The investment, which is part of Hershey’s C7 Ventures, will fuel a research and development partnership aimed at advancing the tastes of Hershey’s zero- and reduced-sugar chocolate, along with its broader better-for-you snack offerings going forward.

The company also will look for new partnership and licensing opportunities with better-for-you brands to co-develop and launch new offerings. M&A activity will focus on accessing new consumers and occasions the company’s core brands don’t already reach.

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