

## **Bean-to-Bar-to-Brand: Golden Tree Chocolate Ghana**

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### **ABSTRACT**

Established in 1965 as the Cocoa Processing Company Limited, Golden Tree Chocolate is the original bean-to-bar chocolate brand of Ghana. However, as new firms have begun to establish themselves in the growing Ghanaian chocolate market, the Cocoa Processing Company must examine its current strategies to determine if they are suited for this new landscape. The circumstances presented in this case are intended to offer students the opportunity to exercise critical decision making skills and draw upon their knowledge of marketing management philosophies, competitive advantage, corporate mission statements and ingredient branding in the case analysis. This case is well suited as an introductory case in an undergraduate principles of marketing course, especially during the discussion of strategic planning.

Keywords: Ghana cocoa, Golden Tree Chocolate, ingredient branding, bean-to-bar, mission statement



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## **COCOA AND WEST AFRICA**

The continent of Africa has a long history of cocoa cultivation. Cocoa arrived in West Africa around 1840 when it was first brought to Equatorial Guinea, and later to Ghana, Nigeria and Ivory Coast. However, the spread of cocoa farming has largely been attributed to Tetteh Quarshie, a native of Ghana working as a blacksmith in Equatorial Guinea. In 1879 he brought cocoa pods from Equatorial Guinea home to Ghana and established a farm at Akwapim Mampong in the Eastern Region of the nation. Farmers from neighboring regions purchased pods from his farm for planting, and cultivation began to spread to other parts of Ghana's Eastern Region (Ghana Cocoa Board, n.d., para. 4). In 1947 the Ghanaian government created the Ghana Cocoa Board (Cocobod) as the government organization charged with the administration and advancement of Ghana's cocoa industry.

More than a century later the continent of Africa still dominates in the production of cocoa, producing an estimated seventy percent of the world's cocoa according to the UN Food and Agriculture Organization (UNFAO), with four of the top five cocoa producing nations located on the continent (see Exhibit 1, Appendix). The Ivory Coast, the top cocoa producing country, provides thirty percent of the world's cocoa, producing 2,034,000 tons in 2017 while Ghana is the second largest producer, producing 883,652 tons of cocoa that same year. These two countries continue to outpace their counterparts in the global cocoa market.

While Africa leads the world in cocoa production, the same cannot be said for cocoa consumption as Africans consume less than four percent of chocolate sold globally (Ochieng, 2017). However, a growing African middle class might provide an opportunity for African cocoa producers to reverse this trend. If these consumers begin to cultivate a taste for chocolate as an accessible luxury available at home, they may provide the foundation needed to jumpstart the market for cocoa on the African continent.

## **GOLDEN TREE CHOCOLATE**

Ghana began producing chocolate for the consumer market in 1965 through the establishment of the Cocoa Processing Company Limited (CPC) in the port city of Tema. According to the CPC website, its mission is "to process cocoa and delight our customers with the full health benefits of world class cocoa/chocolate products." The company has three factories that process raw cocoa beans to produce semi-finished products under the 'Portem' brand name, reflective of the company's Port of Tema origins. These products, such as cocoa butter and cocoa liquor, are primarily sold in bulk and used in the production of other products. The Cocoa Processing Company also produces finished products, such as chocolate bars and drinking chocolate, under the 'Golden Tree' brand name, a nod to the tree and the golden cocoa pods it bears. CPC boasts that they "process only the choicest premium Ghana cocoa beans without any blending, probably the only factory in the world which can make such a claim" (Cocoa Processing Company, n.d., para. 3). An array of products sold by the Cocoa Processing Company is presented in Exhibits 2 and 3 (Appendix).

It is worth noting that in addition to producing an award-winning chocolate under the Golden Tree Chocolate (GTC) brand ("CPC grabs 9 awards," 2002), the Cocoa Processing Company has also mastered the art of producing chocolate bars that are heat-resistant (Leissle, 2015). This quality has been instrumental in allowing the Golden Tree Chocolate brand to be distributed extensively throughout Ghana in settings as diverse as retail stores, open markets and

on the streets. It is not uncommon for a street vendor to approach your car window while you wait in Accra's heavy traffic to sell you a Golden Tree Chocolate bar (Ryan, 2005). With street vendors enjoying the ability to easily transport and sell the product without melting, Golden Tree Chocolate is truly a product for the people, available to Ghanaians at all economic levels of society.

## **FROM BEAN-TO-BAR: A NATION SHIFTS FOCUS**

Many in Ghana believe the nation can build on its reputation as one of the largest producers of premium cocoa in the world by becoming a leading producer of quality chocolates as well ("With Ghana on a Mission," 2018). With the election of Ghana's president Nana Akufo Addo in 2016, the Ghanaian government not only renewed its emphasis on the production of Ghana's premium cocoa, it also placed an emphasis on the production of finished chocolate products and promoting Ghanaian chocolate as a national product with economic and health benefits (Ochieng, 2017).

If excess cocoa can be used to produce chocolate products for local consumption, cocoa producers can avoid the possibility of receiving lower prices for that same cocoa on the international market. According to CPC's Acting Managing Director, Nana Agyenim Boateng "countries that had made deliberate efforts to develop their chocolate industries were reaping substantial returns; this is something that Ghana must emulate" ("With Ghana on a Mission," 2018). As such, the development of competitive products for local consumption, as well as for export, is a strategy that has the ability to create jobs and wealth for the people of Ghana.

### **Developing a Taste for Chocolate in Ghana**

However, in order to be successful, this new focus on producing chocolate for the local market must also be met with a deliberate course of action to make eating chocolate a part of daily life in Ghana. As a result, government authorities have initiated marketing and public awareness campaigns that underscore the health benefits of cocoa and that urge Ghanaians to choose local chocolate over imported brands (Ndungidi, 2019). In light of this, the Cocoa Consumption campaign was launched by Cocobod in 2017 to promote the health benefits of regular cocoa consumption ("2019 NASPAC," 2019).

Additional initiatives aimed at increasing local consumption of Ghanaian chocolate include the rebranding of Valentine's Day as National Chocolate Day in 2005 ("Ghana celebrates," 2020). This day is now a national celebration filled with media promotion and chocolate themed events. It has been extremely successful, sometimes making 'Made in Ghana' chocolate products hard to find on this day (Shaban, 2017). Additional activities include persuading the hospitality industry to make chocolate products a regular part of their menus ("2019 NASPAC," 2019); encouraging corporations to offer 'cocoa breaks' instead of tea or coffee breaks for their employees ("2019 NASPAC," 2019); and the 'A Student – A Chocolate' program, launched by Ghana's president in which every student receives a chocolate bar or drink every day during the school year (Ndungidi, 2019).

While these efforts have achieved some success, as per capita cocoa consumption in Ghana has increased from 0.5 kg to 0.52 kg, Ghanaians are still eating far less cocoa than their western counterparts ("2019 NASPAC," 2019). These activities initiated by the government

must also be coupled with marketing and promotion by the various companies in the Ghanaian chocolate market if the country hopes to build a stable and sustainable chocolate industry.

### **FROM BAR-TO-BRAND: BRAND BUILDING IN A COMPETITIVE MARKET**

There was a time when 'Made in Ghana' chocolate was synonymous with the Golden Tree Chocolate brand, however that era has ended as a variety of competitors have recently entered the market. In 2011, Niche Cocoa Industry Limited became Ghana's first privately operated cocoa processing company (Ofori-Boateng, 2019). While the company originally began by processing cocoa for export, in 2018 it entered the bean-to-bar market. Through its subsidiary Niche Confectionery Limited, the company produces a variety chocolate bars that compete directly with the Golden Tree Chocolate brand.

However, bean-to-bar chocolate production in Ghana is not limited to large scale operations. Two artisanal brands have made an impact in the luxury segment of the growing Ghanaian chocolate market. '57 Chocolate, whose name is a reference to the year in which Ghana gained its independence, was established in 2016 by two well-travelled sisters who challenged the idea that luxury chocolate could only be produced in Europe (Ochieng, 2017). They specialize in small batch truffles and chocolate bars whose packaging celebrates Ghanaian culture and independence. Additionally, in 2014 Midunu Chocolates entered the market with its handcrafted chocolates. Founded by a chef, the company sells small batch truffles infused with spices like Cape Malay Curry and Ethiopian coffee that celebrate the essence of Africa (Ndungidi, 2019).

Given the changing nature of the Ghanaian chocolate market, can the Cocoa Processing Company, a government-run organization, successfully compete with these new upstarts? The recent introduction of a line of premium chocolate products is a start (Glover, 2018; "With Ghana on a Mission," 2018), but will this be enough to stall the progress of competitors like Niche Chocolate? Ultimately, Ghana's original bean-to-bar chocolate must decide if it has what it takes to become a global brand. This will require a realization by the company that in this new market space, its true value lies in the Golden Tree Chocolate brand, not the bean or the bar.

### **Disclaimer**

This case is written on the basis of published sources only to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a situation.

### **DISCUSSION QUESTIONS**

1. Which type of marketing management philosophy/orientation (i.e., production, marketing, sales, or societal marketing) does Cocoa Processing Company/Golden Tree Chocolate exhibit?
2. Evaluate Cocoa Processing Company/Golden Tree Chocolate's mission statement. Create a new mission statement for the company.
3. What is Cocoa Processing Company/Golden Tree Chocolate's competitive advantage?
4. Increasing demand for Ghanaian cocoa has been deemed a priority for the nation and is key to the growth of the Cocoa Processing Company. As such, how can the Cocoa

Processing Company engage in ingredient branding to increase demand for Ghanaian cocoa and cocoa products?

## TEACHING NOTES FOR FACULTY

### Student Learning Outcomes

Upon successful completion of this case, students should be able to:

1. Demonstrate their knowledge of the various management philosophies/orientations and identify an organization's philosophy/orientation.
2. Identify the characteristics of an effective mission statement, evaluate a company's mission statement and write an effective mission statement.
3. Demonstrate their knowledge of the various types of competitive advantage and identify an organization's competitive advantage.
4. Provide an example of how an organization can engage in ingredient branding.

## DISCUSSION QUESTIONS AND ANSWERS

1. Which type of marketing management philosophy/orientation (i.e., production, marketing, sales, or societal marketing) does Cocoa Processing Company/Golden Tree Chocolate exhibit?

Cocoa Processing Company/Golden Tree Chocolate exhibits a production orientation. Companies with a production orientation concentrate on the internal capabilities of the organization instead of the needs and wants of consumers in the market. They focus on producing the best product without considering whether the product meets consumer needs. CPC/GTC's focus on "processing cocoa" and producing "world class cocoa/chocolate products" as stated in their mission, as well as their vision "to be a first class food factory of international repute" are examples of how they carry out this orientation. This orientation can be successful when there is little competition in the market or when the product a company produces just happens to match what the market wants. However, in a competitive market, organizations using a market orientation are generally more successful because they begin by identifying consumer wants and needs and then develop products to fulfill those needs.

2. Evaluate Cocoa Processing Company/Golden Tree Chocolate's mission statement. Create a new mission statement for the company.

According to the Society for Human Resource Management (SHRM), mission and vision statements may be part of strategic planning process for an organization but may have different objectives. It states that "A mission statement is a concise explanation of the organization's reason for existence. It describes the organization's purpose and its overall intention. The mission statement supports the vision and serves to communicate purpose and direction to employees, customers, vendors and other stakeholders." It seeks to answer the following questions:

- What is the purpose of the organization?
- Why does the organization exist?

Cocoa Processing Company/Golden Tree Chocolate's mission statement is, "To process cocoa and delight our customers with the full health benefits of world class cocoa/chocolate products." While the mission statement speaks about the product's full health benefits, no specific health benefits are mentioned, and an average consumer does not have that information. Moreover, are the health benefits of chocolate important to consumers? This statement and its emphasis on the company's products, focuses on what the company does; however, we still do not know why they bother to do it.

A more meaningful mission statement might be "To enrich the health and heritage of Ghana." This new mission statement incorporates the company's current emphasis on promoting the health benefits of cocoa while also paying homage to Ghana's cocoa producing heritage. Notably, the words 'cocoa' and 'chocolate' do not appear in this mission statement. This is consistent with the mission statements of successful brands like Starbucks, "to inspire and nurture the human spirit – one person, one cup, and one neighborhood at a time" (Starbucks, n.d.) and Tesla "to accelerate the world's transition to sustainable energy" (Tesla, n.d.). These mission statements focus on 'why' these companies do what they do; why they exist. They are intended to inspire employees as well as customers of the organization.

### 3. What is Cocoa Processing Company/Golden Tree Chocolate's competitive advantage?

Cocoa Processing Company/Golden Tree Chocolate has a product differentiation competitive advantage. A product differentiation advantage stems from a company's ability to offer something that consumers believe to be unique and valuable. This allows the company to distinguish itself from competitors in the eyes of consumers. The source of this advantage might be a brand name, the company's image, patents, or technological advancements.

For CPC/GTC, this advantage stems from two sources. First, its brand name is well-respected throughout the nation as it has been 'the one and only' chocolate of Ghana since 1965. It will always be Ghana's original bean-to-bar chocolate company and the relationship consumers have with the brand might be difficult for competitors to emulate. Additionally, competitors have not been able to replicate CPC's production processes that allow the company to produce chocolate that will not melt while it is being distributed throughout the nation.

### 4. Increasing demand for Ghanaian cocoa has been deemed a priority for the nation and is key to the growth of the Cocoa Processing Company. As such, how can the Cocoa Processing Company engage in ingredient branding to increase demand for Ghanaian cocoa and cocoa products?

As a processor of cocoa beans, the Cocoa Processing Company would directly benefit from the increased promotion and sales of cocoa that could result from ingredient branding. They could create a campaign similar to the 1958 Juan Valdez campaign created by the National Federation of Coffee Growers of Columbia (McAteer, 2018). The Juan Valdez character was created to represent the typical Columbian coffee farmer. An actor portrayed the character in media appearances and a stylized image of Juan Valdez was used to promote the benefits of coffee beans that are only grown and harvested in Colombia.

A fictional representation of Tetteh Quarshie could be used to embody the 'typical' Ghanaian cocoa farmer. Tetteh Quarshie is credited with bringing the cocoa pod to Ghana and is highly revered in Ghanaian culture. Ghana's Tourism Ministry is in the process of building a

Cocoa Museum in his honor (“Minister announces,” 2017). Golden Tree Chocolate already has a chocolate bar named for him, the TQ bar. The story of Tetteh Quarshie could be used to promote Ghanaian chocolate and highlight Ghana’s prominence as one of the top cocoa producers in the world. Since the Cocoa Processing Company sells products for both the consumer and business markets, this type of ingredient branding could potentially increase awareness of and demand for Ghanaian cocoa and chocolate products worldwide.



**APPENDIX****EXHIBIT 1: TOP COCOA PRODUCING COUNTRIES**

Ivory Coast	2,034,000 (tons)
Ghana	883,652
Indonesia	659,776
Nigeria	328,263
Cameroon	295,028
Brazil	235,809
Ecuador	205,955
Peru	121,825
Dominican Republic	86,599
Columbia	56,808

Source: UNFAO 2017



**EXHIBIT 2: COCOA PROCESSING COMPANY PRODUCTS**

<b>SEMI-FINISHED PRODUCTS</b>	
<b>Portem Brand</b>	Cocoa Liquor (does not contain alcohol) Cocoa Butter Cocoa Cake Cocoa Powder
<b>FINISHED PRODUCTS</b>	
<b>Golden Tree Brand</b>	<b>Chocolate Bars</b> Kingsbite – Flagship milk chocolate bar that honors Ghana’s Royal heritage Oranco – Orange flavored milk chocolate Akufo (named to honor Ghana’s farmers) – Lemon flavored milk chocolate Coffee Choc – Blend of coffee and cocoa Portem Pride – Dark chocolate Portem Nut – Milk chocolate with peanuts Tetteh Quarshie (TQ) – Premium dark chocolate Aspire – Sugar free
	<b>Choco Delight Chocolate Spread</b>
	<b>Choco Bake Chocolate Couverture</b> (Baking Chocolate)
	<b>Pebbles Chocolate Dragee</b> (Chocolate covered peanuts with hard candy shell)
	<b>Drinking Chocolate</b> Royale Natural Cocoa Powder Alltime Instant Cocoa Vitaco – Instant cocoa with milk and sugar

Source: Cocoa Processing Company website

**EXHIBIT 3: EXAMPLES OF GOLDEN TREE CHOCOLATE PRODUCTS**



Source: Cocoa Processing Company website

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