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PART ONE

Nutella cult

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It's all Napoleon's fault

It's been described as an expression of the soul, a consuming passion, and the symbol of a generation. It has been a fixture in people's kitchens in countries across the world for decades, becoming a cult object. In part due to its international-sounding name, it has won over a hundred million families, becoming more than a simple brand: a lovemark. Nutella—pronounced *new-tell-uh*—is a hazelnut and cocoa spread, a commercial specialty first created in 1964, although the act of blending hazelnut and cocoa is deeply rooted in the history of chocolate. This little jar with a white top, today a citizen of numerous nations, was first created in Italy. More precisely, in Piedmont, a region in the northwest corner of the Italian peninsula that is surrounded by mountains and borders both France and Switzerland. Nutella's oldest ancestor is a small, delicious brown ingot: the *gianduiotto*. This small chocolate, shaped like an overturned canoe, was created in Turin halfway through the 1800s. First it seduced what was then the capital of Italy, and ultimately all of Europe. Right from the start, consumers appreciated its creamy consistency, its flavor—neither too sweet nor too bitter—and its intoxicating hint of hazelnut. But it was impossible to spread on bread.

The gianduiotto's shift from solid to creamy took place in the wake of World War II in a small factory in Alba, roughly forty miles from Turin. Alba is an elegant town of red-roofed medieval towers, famous for its white truffles and superior wines. It is the capital of the Langhe region, an area celebrated by writers like Cesare Pavese and Beppe Fenoglio and recently declared a UNESCO World Heritage Site. In the 1940s working for the factory was a talented pastry chef: Pietro Ferrero, founder of a company that today produces dozens of sweet specialties, including Nutella, Tic Tac, Ferrero Rocher and Kinder. As had happened a century earlier with the creation of the gianduiotto, during the difficult postwar period, this artisan turned to a small, aromatic, rich nut that had many characteristics in common with cocoa: the hazelnut. Hazelnuts were cheap and easy to find, cultivated by the farmers in the hills around Alba.

The felicitous fusion of hazelnut and cocoa was born to satisfy a need—premium raw ingredients were scarce in the wake of war. Similar circumstances had occurred midway through the 1800s, when the Napoleonic Wars had caused a sharp decline in goods imported from the Americas, cocoa and sugar in particular. You might say that the first person responsible for the creation of the gianduiotto was Napoleon Bonaparte, the Corsican-born general who seized power in France in 1799 and proceeded to set most of Europe on fire.

Hence Napoleon is the real "father" of Nutella. In order to understand why, we have to go back to Germany in 1806. Holed up in Hohenzollern castle in Berlin, the French emperor wanted to take revenge for the naval defeat he'd experienced the previous year at Trafalgar. From that Prussian city, which Napoleon had only just conquered, the emperor issued a decree that put a total embargo on the British Isles: any and all ships flying the Union Jack were forbidden to moor in any French-controlled port, which included southern Italy. England's reaction was

equally severe: His Majesty's gunships began stopping even neutral ships headed for French ports. The power of the British navy made England's embargo even more effective than France's. One consequence of the Continental Blockade, as this standoff would be called, was that colonial goods all but disappeared across Europe. The prices of the few imported foodstuffs still available on the open market increased exponentially. As Canadian historian Jack Galloway—one of the authors of *The Cambridge World History of Food*—explains, cane sugar disappeared entirely from French and European markets. In order to make up for its absence, which was driving the Parisian well-to-do to desperation, Napoleon encouraged the cultivation of sugar beets and the building of factories capable of transforming them into sugar by using a method that had been perfected in Prussia by the chemist Franz Karl Achard. But cocoa was another story. It wasn't yet being cultivated in Africa (where most cocoa cultivation takes place today); which meant that its importation from South and Central America was the only possible supply option.

In Turin, as in Paris, people ate lots of sugar and cocoa. By the late 1700s, the city had become one of the most important centers for chocolate production in all of Europe. In the eighteenth century, Turin's master chocolatiers were producing roughly 350 kilograms (750 pounds) of chocolate every day and exporting it to Austria, Switzerland, Germany, and France. This "food of the Gods" had reached Piedmont thanks to marriages between the dynasties: the dukes and counts of the region's ancient royal family, the Savoia (first established in 1003 in the Savoie region in France) had wed French and Spanish princesses. In the 1800s there was even a "Chocolate Department" in the royal court in Turin, and royal licenses for its sale—similar to today's commercial licenses—were given by the court to the best confectioners so that the nobility might

continue to enjoy their hot coffee with their beloved brown gold. Many young Swiss citizens moved to Turin to work in these chocolate shops and learn the trade, including François Cailler (one of the founders of Nestlé) and Philippe Suchard (another storied Swiss chocolate brand name). Cocoa traveled from South America to Spain or Portugal, then on ships to ports in Nice and along the Italian coast, at the time owned by the Piedmontese. At first chocolatiers pounded the cocoa on a hot *metate*, a concave sheet of stone first used by the Aztecs. Later the first hydraulic machines, large *mélangeurs* (mixers) with granite wheels were used. Thus was the confectionary industry born in Turin, Italy.

THE FIRST SURROGATE

Once Napoleon instituted the embargo, everything became more difficult, even though the Continental Blockade was lifted in 1814. The prices of raw ingredients shot sky-high and therefore Italians, just like the French, had to adapt. Although there are some who consider the influence of Napoleon Bonaparte's embargo on the birth of the gianduiotto to be something of a myth, there is proof that it caused a sweet revolution in agriculture, insofar as cane sugar became all but unavailable across the European continent. In Italy the issue was addressed by a young Piedmont politician who eventually became the country's first prime minister: Camillo Benso, the Count of Cavour. An agricultural producer and the minister of agriculture, Benso, promoted the cultivation of sugar beets in Piedmont. At the same time, hazelnuts began to substitute cocoa, and sugar beets and hazelnuts were used, together with other dried fruits, to make a chocolate surrogate. Documentary proof can be found in a short, fifteen-page booklet pub-

lished in 1813 in Venice by Stamperia Domenico Fracasso, entitled *Piano teorico-pratico di sostituzione nazionale al cioccolato* (A theoretical-practical plan for the national substitution of chocolate) and written by Antonio Bazzarini. The eclectic proposal presented by the author (who would later write an encyclopedia and a dictionary, and who left Venice to settle in Turin) was actually quite simple: given that the "nut of the cocoa tree has unfortunately milked European markets dry," it was necessary to substitute it with "those kinds of native species" that had been long forgotten. Bazzarini invited his readers to use other kinds of "rather nutritional vegetables" instead, like the "western hazelnut," or toasted almonds, lupines, or corn. Once the raw ingredients have been processed, the booklet explained, confectioners could add up to one-third cocoa, which they were advised to use "like paint." In addition to making "the piece enjoyable and fragrant, this will make it equally solid and more like the more perfect usual product, including its looks." It was a full-blown surrogate, and the book included a recipe for its creation: 2.25 kilograms (4.96 pounds) of almonds (or hazelnuts); 40 grams (1.41 ounces) of roasted lupines; 900 grams (31.74 ounces) of corn; 40 grams (1.41 ounces) of powdered cinnamon and vanilla; and 1.52 kilograms (3.35 pounds) of sugar.

While we can't be sure of whether the young Turin chocolatier Michele Prochet, considered to be the inventor of the gianduiotto, had the chance to read Bazzarini's booklet, we do know that Italy's masterchefs were familiar with hazelnuts, and that they used them to create *torrone*, a type of nougat, as well as pastries and pies. In his book *Dolci delizie subalpine* (Sweet Subalpine Delights, 1995) food writer Mario Marsero maintains that the first prototypes of chocolates made with the new surrogate were already being prepared as early as 1852 by Prochet, one of many young Waldensians—like Gay-Odin, Talmon and

Caffarel—who had traveled to the Italian city to start up confectionary businesses after King Carlo Alberto of Piedmont-Sardinia recognized the right to religious freedom in 1848.

The Waldensian community, which was linked to Switzerland, had been persecuted for centuries by the House of Savoia, all the way to King Carlo Alberto, who, influenced by liberal French thinking and the Napoleonic Code, gave the cult his blessing. As a result numerous artisans descended into the city from the surrounding valleys in order to found their companies. According to some, the Waldensians deserve recognition for having invented the first "clothed"—packaged or wrapped in paper—chocolates in the world. In an issue of the magazine *Il Dolce* (The Dessert), published in 1932, one author wrote that "gianduia paste is nothing more than a chocolate with toasted hazelnuts," explaining that the first company to create it was Prochet, Gay & Co., although there is still some doubt about the date.

One thing we do know for sure is that in 1878 the chocolatiers Caffarel and Prochet joined forces, merging their companies under one brand name. While Caffarel is currently part of the Lindt group, it has maintained its proud Italian roots, and preserved in the former company's archives a document that attests to the fact that the "baptism" of the cocoa and hazelnut chocolate took place in Turin in 1865 during Carnival time. It was during the "Fiera Fantastica" (Fantastic Fair) held over a fifteen-day period along the streets of the capital of Piedmont, that a sort of town jester named Gianduia was given a taste of the *givu* ("butts" in Piedmont dialect, or the first small chocolates) and liked them—so much so that he awarded their maker "a special certificate attesting to the merit of the company, authorizing it to call this Turinese product by the name, 'Gianduia.' This document can still be found in the Caffarel, Prochet & Co. branch offices in Turin."

And thus gianduiotti were born. In 2001 this name was registered in the global Codex Alimentarius, used by the World Trade Organization to define the rules of international commerce, following intense negotiations conducted by representatives from the Italian confectionary industry. Today there are four types of chocolate in the world: white chocolate, milk chocolate, dark chocolate, and gianduia (or one of the derivatives of this word).

But who exactly was Gianduia? The name was attributed to a type of mask used in Italian commedia dell'arte, created in the early 1800s for street theater puppetry, and was derived from *Giôan d'la dôja*, which meant *Giovanni del boccale di vino* ("John of the wine jug"). The character was a happy-go-lucky gourmet who eventually became a symbol of the Italian Risorgimento—a nationalist revolt that led to the birth of a unified Italy. He was a beloved character in Italy, at least up until a few generations ago. In the book *Torino e i torinesi* (Turin and the Turinese), a chronicle of anecdotes published toward the end of the 1800s, Alberto Viriglio wrote that "Gianduia is not a mask: he's a character. Beneath a superficial appearance of ingenuousness and roughness, he hides talent, readiness, practicality, and a grand heart". The actor who played Gianduia during the carnival was symbolically crowned "king" of the city. And in fact it was none other than *Giôan d'la dôja* who led the popular uprising in 1865 that opposed plans to move the capital of the Kingdom of Italy from Turin to Florence.

THEY CALLED HIM *GIANDUJOT*

A century later, this odd element—the mask—most likely inspired an ambitious artisan confectioner who grew up between

the Langhe region and Turin during the 1930s and 1940s: Pietro Ferrero. In 1946 he decided to print Gianduia's face on the packaging for his specialties, with two happy children alongside and a catchphrase that read, "I was the first, and I'm still the best." The difficulties that Monsù Pietro (a respectful appellation, the equivalent of "Signor Pietro" in the Piedmontese dialect) encountered in obtaining raw ingredients immediately after World War II were not entirely the same as those his colleagues grappled with at the beginning of the 1800s. Italy was on its knees. Very few people could afford sweets or children's snacks. Everything was rationed. But blending cocoa and hazelnut together proved his good fortune and created the necessary conditions for the birth of Nutella.

Pietro Ferrero was a farmer's son. The town he was born in, Viaiano Soprano, is located in the Langhe region, twenty miles south of Alba: a huddle of houses hugging woods, vineyards, and corn fields overlooking the Tanaro River, between hills that have only recently begun to enjoy economic prosperity thanks to fine wine, tourism, and the solid economic foundation offered by nearby industries. When the Ferrero brothers were born (Pietro in 1898; Giovanni in 1905), life was hard in that part of the world. Their little town was a place to escape from as quickly as possible, and that's just what the two young Ferrero brothers did once they realized they had no desire to work the land the way their parents had. Pietro learned the confectioner's trade in Dogliani, a lively town of five thousand, famous today for its Dolcetto wine and the estate of Luigi Einaudi, the first president of the Italian Republic. Giovanni instead joined the carabinieri, and later worked in sales in Alba.

In the beginning, destiny tore the two brothers apart. They had entirely different personalities, and they also looked nothing alike: Pietro was small, taciturn, a loner; Giovanni was big and exuberant, sporting the cocky mustache of a Hollywood ac-

tor. The former knew how to cook extraordinary dishes, amidst pots and ovens, making do with whatever he had available. The latter was skilled at buying and selling food products. In the years following World War II, that sweet surrogate made of hazelnut, chocolate, sugar, and coconut butter changed their lives, transforming the tiny shop they started into an industrial empire.

The main street in Dogliani is lined with traditional Piedmont porticoes. This is where it all began: in 1923 Pietro Ferrero opened his first pastry shop here. At that time, the Italian National Fascist Party had just abolished Mayday festivities, substituting them with celebrations for the birth of Rome, which was established as having taken place on April 21. Pietro had skill and, thanks in part to the beautiful cakes and pies he displayed in his shop window, he managed to win the affections of Piera Cillario, a twenty-something-year-old woman, and the youngest of eight brothers and sisters. This woman would become his wife in 1924 and prove to be a pivotal figure in the success of the company her husband founded. Two years later they moved to Alba to work in Rava, a confectionary shop owned by one of Piera's nephews. In the 1930s they moved to Turin, where they opened two pastry shops in less than a decade: the second was the more elegant of the two, and boasted no fewer than seven display windows and a refined clientele. But when the war broke out, the Ferrero family was forced to flee, and decided to return to the Langhe region.

In the meantime they'd raised their son, Michele, who had been born in 1925. Michele studied accounting at boarding school, where he was tutored by his uncle, the priest Eugenio Cillario, and once the war was over, decided to stay at home and help his parents. Business was doing well, and the beautiful little pastry shop in Alba had become family property, even though it wasn't easy selling sweets during those days. The gen-

eral population had next to nothing to eat, let alone chocolate, which was a genuine luxury and cost around 3,000 lira per kilogram/2.2 pounds (equal to roughly 90 euros or $120 today). Pietro knew that, in order to increase production, he had to invent special, low-cost products—something that cost no more than 600 or 700 lira per kilogram/2.2 pounds (less than 20 euros or $26 today). His brother Giovanni came to his aid. At the time, Giovanni was earning a decent living, buying and selling foodstuffs out of his little Balilla—a car built by Fiat that helped bring automobiles to the Italian masses—and supplying yeast to all the bakers in the region.

"You know what, Pietro?" said Giovanni one day in his brother's shop. "They just sold me this barrel full of molasses for next to nothing. It was drawn from sugar beets while they were making sugar. It's not as sweet as sugar, but it's good. They use it to make yeast too. . . They gave me some practically for free. Why don't you try it out and see what you can do with it?" Monsù Pietro got to work, rolling up the sleeves of his crisp white pastry chef's jacket. As chance would have it, he had some hazelnut *panello* (oilcake, or solid residue from the refining process) lying around the shop. He drew some hazelnut oil from it, added a little coconut butter (because cocoa butter was too expensive and impossible to find) and some powdered cocoa. Simple but healthy ingredients. He experimented over and over again with the mix, managing to create a sort of semisolid paste, sweet and pleasant to eat. Then he set his creation in rectangular molds in order to shape it. From the local butcher he got some yellow wax paper with which to wrap his mouthwatering little ingots.

According to a reconstruction of events put together by Italian journalists De Vecchi, Di Nola, and Tonelli in their book *Storia di un successo* (A Success Story, 1967), this episode took place toward the end of 1945 or the start of 1946. They wrote:

"When the paste cooled down, Pietro Ferrero called his wife in and asked her to try it. 'I think it's delicious,' said Signora Piera, who loved chocolate and could never get enough. 'Dad, it's delicious!' exclaimed their son Michele, smacking his lips. [. . .] 'I love it,' he insisted. Curious, Michele asked, 'What did you put in it?'"

Smiling and happy-go-lucky as always, the next day Giovanni dropped by to pick up Pietro's creation and try to sell some to the bakers he supplied with yeast. He didn't even manage to finish his rounds before some of his first clients caught up with him again. "Listen, Signor Ferrero, do you still have some of those sweets? Cut up and spread on bread it's delicious. . . We've already sold it all!"

The most authentic retelling of that memorable invention was provided by Pietro's son Michele, when Nutella was already an industry, during one of the few interviews he gave over the course of a life lived far from the spotlight, responding to questions from Italian journalist Alfredo Pigna for the book *Miliardari in borghese* (Undercover Millionaires, 1967).

"Do you know what the '*pastone*' is? Some people called it 'the poor man's chocolate,' but I'd say it's a sweet for the humble. [. . .] My father invented a *pastone*, a sort of gianduiotto, that was very good and relatively inexpensive. My father and my uncle Giovanni, who was his partner, thought that our best clients would be those thousands of workers, builders, carpenters, and farmers who were used to buying a couple of tomatoes and some cheese to make a simple sandwich for breakfast. What if, thought my father and uncle, we give them a chance to eat something sweet, something that costs the same or even less than what they usually buy? They were right. That idea was so successful that even today we have trouble comprehending the extent of its success. Ferrero was born of that simple *pastone*."

The product passed the market test, becoming a close competitor with chocolate: it had the same nutritional characteristics, since hazelnuts have a composition quite similar to cocoa, and was delicious to eat. Most importantly, everyone could afford it.

People liked to say that Giovanni Ferrero could sell sand from the Tanaro River for gold. But the truth is there was no need for a golden tongue to sell that sliceable surrogate: it was selling as fast as his brother could make it. So the two brothers formed a company, hired a few workers, bought new machinery, and began working day and night in order to keep up with orders that were pouring in from all over the Langhe region, all the way to Turin. They had to give the invention a name, and naturally the first thing that came to mind was that chocolate invented under Napoleon's regime, so they called their creation "Giandujot."

Graziella Borello was one of the first workers hired in 1946. Back then just six or seven people worked in the Ferrero facility, all of them quite young, and only two or three men. As Graziella notes, "There were only two machines that ran on electricity. Everything else we did by hand. Hazelnuts would come in from the countryside: we had to toast them, shell them, and reduce them to mush. Then they were mixed in with other ingredients, sugar, cocoa and vegetable fats, until the paste was ready to go into the molds. When everything was done, each one-kilo (2.2-pound) loaf of Giandujot was wrapped in aluminum foil and packed in cardboard boxes. As soon as they came off the production line, there were clients waiting to buy them and take them away." Every once in a while Mamma Piera stopped in to make sure everything was proceeding smoothly, even though her job was to run the cash register at the pastry shop on via Maestra, located just a short walk away. In the beginning, the company registered amazing numbers: in Novem-

ber alone they sold 1,100 quintals (121 tons). The small rooms of the first factory in downtown Alba quickly proved insufficient, and in December 1946 the company moved everything to a large warehouse near the Tanaro River that the Ferreros had bought during wartime, in 1944. By the end of the year, the number of employees had risen to around fifty, and it would soon double again.

For poor farmers living in the hills around Alba, that small factory became a sort of mecca, a place where people aspired to work. "They're hiring workers and letting them spend a few months at home so that they can work the fields too," it was rumored around the region. In fact, production was seasonal. In 1951, 70 percent of Alba's population worked in agriculture, which was not very profitable, and the entire area had depopulated in the period between the two world wars. The Ferrero factory, in the same area where its larger, more modern facilities are located today, was growing at a breakneck pace: by the end of 1951 the number of employees had risen to 300; just ten years later, in 1961, no less than 2,700 people worked at Ferrero.

THE ATTEMPTED SALE

Marketing expert and author Philip Kotler familiarized the world with the "four P" model, theorized in 1960 by E. Jerome McCarthy and considered an essential formula for strategizing how to satisfy market needs while making a profit. The four lynchpins of his "marketing mix" system were: product, price, place, and promotion. In the 1950s, Giovanni Ferrero actually used an approach that put McCarthy's first three Ps together. This was the "attempted sale," a system halfway between wholesale and a traveling salesman's market stall, and it worked well in difficult circumstances, such as those the

Italians were experiencing in the postwar period, when demand was low. Giovanni drove around Piedmont and Lombardy in his fire-red Fiat 1100. One morning he traveled to Milan to bring a client a load of Giandujot, but when he got there he found the warehouse wasn't open yet, so he walked over to a café in order to call the client. When Giovanni got back to the car he discovered a small crowd of people clamoring to buy some of his precious delight: "The smell of hazelnut was our best ambassador"—or as Kotler would call it, "the fourth P." That episode inspired the brothers to sidestep the wholesalers. Sales representatives at Ferrero began visiting shopkeepers, delivering merchandise directly to them. Given that these agents only received a percentage on sales, this led to a considerable increase in orders. In 1947 Ferrero had a dozen hazelnut-and-cocoa-colored company vehicles, Gianduia's merry face painted on the sides. But by 1950 this number had grown to 154, and to 1,624 in 1960. In Italy, the Ferrero company car fleet was second only to the military. Each salesman had a full warehouse in his little van, and the company also organized a network of dealerships in order to avoid the wholesalers who were monopolizing the market. Giovanni Ferrero was fully familiar with sales mechanisms: he had a wholesale company of his own in Alba, separate from the company he had founded with his brother.

These were "heroic" times. Amilcare Dogliotti, who became CEO of Ferrero in the 1990s and for a long time was Michele Ferrero's main collaborator, says that when he joined the company in 1954, fresh out of college, they put him in one of these little vans and sent him out to accompany a salesman. "When he saw me there, he gave me a dark look, because with me in the van he had less space for product. So we reached a compromise. We removed the passenger seat and set up a stack of boxes full of Giandujot so that I had a sort of stool to sit on."

SUPERCREMA

Not even a disastrous flood on September 1948 could hamper the company's unstoppable growth. But the following spring the Ferrero family was struck by tragedy: the company founder, Pietro, died of a heart attack. He was just fifty-one (and the same tragic destiny would strike the grandson who bore his name in 2011, when he was just forty-seven). In 1949 Pietro's widow, Piera, his son Michele—barely twenty years old—and his brother Giovanni took the company in hand. Ferrero began offering new products in addition to the Giandujot, all characterized by reasonable prices: the Cremino, Sultanino, and Cremablock. In Italy, per capita consumption of sweets remained extremely low, around 2 kilograms (4.4 pounds) per year, so Ferrero always tried to offer consumers small product sizes in order to keep prices low.

But when did the ritual of spreading Nutella on a slice of bread begin?

There are still a few retired milkmen in Turin who remember that steamy summer of 1949, when Italian cycling champions Fausto Coppi and Gino Bartali were battling one another in the Giro d'Italia, American actor Tyrone Power was all the rage at the dawn of the Roman *dolce vita*, and the Giandujot melted like snow in warm sunlight. The Ferrero agents withdrew their product as quickly as possible, storing them in a warehouse and only then realizing that when reduced to a cream, Giandujot could be spread on bread. Urban legend or a real stroke of luck? The history of pastries and sweets is rife with examples of "fortunate" mistakes. Pralines were created in 1636 when a pastry chef in the service of the Count of Plessis-Praslin became distracted. The tarte tatin was a product of the carelessness of the Tatin sisters, while working in a restaurant in the French countryside toward the end of the 1800s. Beginning in autumn

of 1949, Supercrema started showing up in shops around Italy. The creamy consistency of that "food preserve" made of hazelnuts and cocoa was achieved using a substance that the young Michele Ferrero discovered reading an American magazine: soybean lecithin, a substance that can retain fats. Some shopkeepers had complained that the Giandujot would "sweat" at times. Adding lecithin rendered the product more stable, making it possible to start producing Supercrema, or Nusscreme, as it was called in the early days. Ferrero's entrepreneurial founders immediately got the idea of packaging it in various useful and reusable containers: sealed cans, aluminum pots, toy wooden boxes for kids, glasses, jars, and more.

In small towns in southern Italy people started organizing a sort of public service: the "spreadfest." Children ran to the milkman or baker with a slice of bread in hand, and for five lira (mere pennies) they were given a thin spread of Supercrema; for double that, a thick spread. Advertising was aimed at "intelligent housewives" who knew well enough to choose a product with "high energy value," given that it provided "no less than 5,100 calories" for a mere 600 lira per kilogram/2.2 pounds (around $25 today), and could be eaten with as much or as little bread as one liked. This was the practical application, in a simple and perhaps unknowing manner, of the main function of modern marketing: not a promotional or advertising activity, but, as Kotler describes, a process through which the company "creates value for the client and establishes a solid relationship with them in order to achieve added value in exchange."

Back in the factory in Alba people were at work day and night, including Sundays, in order to meet rising demand. It was easy to find people willing to work among the small farming towns in the surrounding hills, while allowing employees to continue to live in their rural homes without having to move into town. This meant the countryside wasn't depopulated, and

at the same time the town was able to develop. In 1957 there were already seven Ferrero bus lines running routes for employees. There was even some friction, at least initially, with the local parish due to the company's decision to have people work on Sundays, but Giovanni Ferrero managed to convince the priests that the sacrifice was necessary in the name of a greater good for all.

It's important to recognize how the company's management was able to take advantage of Italy's economic miracle without overwhelming the territory, as instead happened in Turin with the automobile industry. As sociologist Francesco Alberoni emphasizes in his book *Lavorare Creare Donare* (Working Creating Donating, 2003), published by Ferrero Foundation: "There are places where, almost miraculously, at a certain point in history, an extraordinary social and culture dynamic is created. That's when exceptional people arise, and great works are accomplished. We all know about glorious periods like those enjoyed by Athens or Florence. But the same processes take place on smaller scales as well, in small cities, or towns, during particularly fertile and fortunate moments in history. Take Maranello for example, where Ferrari was born; or Ivrea in Adriano Olivetti's day. The same thing happened in Alba, where Ferrero was founded: the only true Italian multinational corporation. Ferrero is not only a business; it's a family, a community. In truth it is even more, because it has interacted with its surrounding territory, with the civil society from which it arose, drawing energy from it while at the same time enriching it, helping it to grow." Giovanni Ferrero helped found professional schools to train mechanics, electricians, and designers, and already in 1956 hired a social assistant who could help identify and fulfill the needs of the people working for Ferrero.

This way, he began to develop an Italian brand of company

assistance that included housing, hospitals, nursery schools, vacations, recreational clubs, and more, and continues to function today.

IN EUROPE: GERMANY AND FRANCE

Michele Ferrero loved sneaking into supermarkets incognito and, together with a collaborator, tasting his company's products as well as those produced by its competitors. It's a habit he'd started with his uncle Giovanni, when he was still alive, and the young entrepreneur soon began exploring different markets, buying raw ingredients and trying to figure out the "secrets" of other European producers. Confirmation comes from Francesco Rivella, a chemist the company hired in 1952, and who remained with Ferrero for forty years. A little chemistry lab was created in Milan specifically to analyze the raw ingredients that Giovanni and Michele went out and bought. From that moment forward the two began traveling around Europe. "We have to move beyond Alba," Michele always said back then. Before making a decision on Ferrero's investment in Germany, he left with Rivella on a long trip through northern European countries. They didn't leave so much as a German *süsswaren* or French or Belgian *pâtisserie* untouched. They bought chocolates, chocolate creams, wafers, and snacks of all kinds, analyzing the foodstuffs not so that they could copy them, but to improve them. They wanted to leave the surrogates behind and toast their own cocoa beans. The first dark chocolate Ducalba bars were produced and this quality chocolate proved an immediate success. The air around the medieval towers of Alba became infused with the rich aroma of freshly toasted cocoa beans emerging from a modern facility set up on the banks of the Tanaro River.

Those voyages into northern Europe helped Michele Ferrero realize that they needed to look for opportunities in new markets, to win over the high per capita consumption connected with chocolate. When he was barely thirty years old, Michele Ferrero, in a stroke of genius, managed to convince his somewhat reluctant family of the importance of opening a factory in Germany. Today the average German eats more than 8 kilograms (17.63 pounds) of chocolate per year, while Italians eat barely half that. And back in the 1950s this difference was even greater. Michele's decision was a winning idea, as ex-CEO Amilcare Dogliotti notes, "Signor Michele said to me, 'If we're not someone in Europe, we'll never be anyone in Italy either.' His words proved prophetic." When Ferrero inaugurated a new factory in Allendorf, Germany, the then-CEO of Motta—an Italian confectionary company founded in 1919 that was a direct competitor and had single-handedly introduced Italians to the *panettone*, a rich dessert bread cake—declared, "The Ferrero family has found a way to put itself out of business." To be honest, demand was greater in northern Europe, and that's where the business needed to go. From that moment onward the strategy embraced by the company in Alba has always been to expand in foreign markets: not as part of a search for competitive advantages in production costs (what people mean today when they talk about "delocalization"), but simply to respond to a greater market demand with respect to the products offered.

The factory was founded a little over ninety miles from Frankfurt, in a hilly area of the Hesse quite similar to the Langhe, and can be considered the first example of internationalization in the Italian confectionary industry. It was 1956, and the Treaty of Rome—officially the Treaty establishing the European Economic Community (TEEC), a forerunner to the modern-day European Union—would not be signed until

March of 1957, but things were moving in that direction. For the first facility in Allendorf, Ferrero bought several factories abandoned after World War II, in which Hitler had originally built V1 missiles. There, company pioneers sent from Alba, like Severino Chiesa and Giuseppe Faussone, created an industrial hub out of thin air. The life of these "exiles" from Alba is told autobiographically by Marisa Fenoglio, sister of the writer Beppe Fenoglio and the wife of Faussone, in her book *Vivere altrove* (Living Elsewhere, 1997): "Germany was waiting for me the day of my wedding. Surrounded by a small crowd of friends and family, I'd heard the voice of one of Sergio's best men. He was Sergio's employer, a man who entertained grand European expansion plans for his family company, and which he shared with me just outside the church, with people still standing in the sacristy: 'Signora Faussone, how would you like to go to Germany with your husband?'"

Michele Ferrero thought he would be successful with Cremalba, a sort of sweet snack roughly the size of a stick of butter. Instead, the Germans fell in love with a praline with a liquor cherry heart: the Mon Chéri, sold individually rather than in pricey boxes. In spring 1957 the Ferrero company in Germany had sixty employees. It had started with just five. By the end of that year, thanks to the success of Mon Chéri, the employees numbered one hundred and fifty.

Keeping in mind the excellent results the company had obtained in Germany, Michele Ferrero decided to broaden his horizons to France as well: he established the company Dolcea, and in 1959 that company bought an old textile factory in Villers-Écalles, in Normandy, on the border of Pays de Caux and the Austreberthe valley. It wasn't easy to turn a factory that produced textiles into one that made chocolate, but a team sent from Italy fine-tuned the machinery and trained the French employees to perfection. Success and development moved quite

quickly in France, and in 1964 the company's commercial services and general management moved to Mont-Saint-Aignan, a town near Rouen, setting up shop in a small villa. In 1978 they opened a new warehouse for products that reached Grand-Quevilly, on the banks of the Seine River, not far from the hills of Mont-Saint-Aignan, where in 2000 the company built the general headquarters for Ferrero France.

In the meantime, Supercrema was starting to register impressive results. It was an unexpected success in Italy, where it was sold in bulk in special pots, and the container helped promote the product. The buyer could keep the pot, taking it back to the store where it would be filled with Supercrema sold by weight. As Dogliotti notes, "Then the first special packaging was created: little colored boxes that children could play with, inside of which we put the cream they could spread on bread at snack time. Glasses only came later, and then the jars. These could be reused as well, and helped us win over the housewives."

The small artisan company from Alba was becoming an international reality. But Giovanni Ferrero, whose commercial intuition and managerial skills had brought them this far, didn't get a chance to enjoy their success. Like his brother, Giovanni was struck down by a heart attack at a young age, when he was just fifty-two, on March 25, 1957. A year later the company bought out the remaining portion of the company inherited by his wife Ottavia Amerio, through a special arbitration process that established the selling price. Thus "Signor Michele," now just thirty-three years old and with only his mother at his side, found himself at the head of a company in the full throes of international development.

Up until this point, competing companies had been unable to match Ferrero's growth. But now they began to respond with price-reduction policies and by introducing small-portion prod-

ucts of their own into the market. Then, in 1962, Michele Ferrero had another winning idea: moving away from surrogates and into chocolate, increasing the quality of raw ingredients adding cocoa and cocoa butter. By this time, Italy and the rest of Europe had left behind the hunger experienced during the war years. A baby boom was underway, and it was time to offer new specialties. They also needed brand names that could be recognized everywhere, because now brands were no longer simply a producer's signature; they'd evolved into a tool for interacting with the world at large. In order to make a name for good products it was no longer enough simply to know how to sell—you had to know how to get your name out there too. And how was that possible? Through marketing and advertising.

Napoleon is relevant here once again, but not for his 1806 Continental Blockade and the legend of the birth of gianduiotto, but for his ability as a grand communicator, someone who was able to spread his image across France and all over Europe in bronze busts and painted portraits and the first logo in modern history. Advertising experts agree: when compared to the intricate allegories of noble medieval coats of arms, his simple "N" wreathed with laurel branches is an essential, modern image.

Today it's amusing to think that Nutella's epic story, from raw materials to market, is all Napoleon's fault.