

# In-depth study

Company name	Kahurangi Chocolate Co.
Location	New Zealand
Industry	Premium chocolate manufacturing
Impressive metrics	<ul style="list-style-type: none"><li>• Sales up 18% year on year in Q3.</li><li>• Projected \$700,000–\$770,000 incremental revenue in year one from new product launch.</li></ul>
Problem	After a strong Q3, Kahurangi needed to decide whether to expand their core range with a new premium flavour for FY27, balancing consumer demand for innovation with operational feasibility and authentic brand storytelling.
Solution	The team conducted rigorous consumer testing across four cities on three flavour concepts, ultimately selecting a 70% dark chocolate and berry bar with freeze-dried raspberries, blueberries, and blackberries. The decision was backed by cross-functional alignment on recipe development, production capacity, retail demand, and a clear November 2026 launch timeline with direct berry sourcing from local growers.
Unique value proposition	Kahurangi's approach to product innovation is refreshingly methodical yet deeply values-driven. Rather than chasing trends, they're building products that tell authentic stories - prioritising direct relationships with Wairarapa berry growers over easier commercial supply chains, even at a 15–20% higher ingredient cost. Their consumer testing revealed not just purchase intent, but genuine desire ("I want that" versus "That's nice"), and they're backing that insight with operational discipline, clear accountability, and a commitment to premium positioning that feels like a natural extension of who they already are.

# Kahurangi Chocolate Co. refuses to 'coast' on already strong sales

A New Zealand chocolate maker's methodical approach to product innovation, and what it reveals about building a sustainable premium brand.

When Marcus Te Whata, CEO of Kahurangi Chocolate Co., called his leadership team together in May 2026, the company was already performing well. Sales were up 18% year on year, and their premium chocolate range had carved out a solid position in New Zealand's competitive confectionery market. But Te Whata wasn't interested in coasting. The question on the table: should they launch a new flavour for FY27, and if so, which one?

What followed was a good example of cross-functional decision-making - the kind that happens when a company has grown past the scrappy startup phase but hasn't yet lost its ability to move quickly.

## The testing phase

Over six weeks, Kahurangi's marketing team, led by GM Priya Raman, conducted 156 consumer interviews across Wellington, Auckland, Christchurch, and Hamilton. The regional centre inclusion was deliberate - Raman wanted to make sure any new product wouldn't just appeal to urban sophisticates.

Three concepts were in the running: honey and almond, coconut and lime, and dark chocolate with freeze-dried berries. All were positioned at a 20% premium to the existing range, targeting the same consumer who "knows chocolate, isn't buying on price, and reads the back of the pack".

The results weren't particularly close. The dark chocolate and berry bar (70% dark chocolate with freeze-dried raspberry, blueberry, and blackberry) showed 67% purchase intent at the \$6.50 NZD price point. Honey and almond came in at 51%, coconut and lime at 48%.

But Raman wasn't just looking at numbers. "With honey and almond, people said things like, 'That's nice' or 'I'd try that,'" Raman explained. "With the berry bar, they said, 'I want that' and 'When can I get it?' There's a difference there."

In-store observation backed this up. When the three concepts were placed on shelf in test locations, the berry bar had a 34% pick-up rate compared to 18% for honey and almond.

More importantly, it converted to actual purchases at roughly three times the rate of the other options.

## The recipe challenge

Having a concept that tests well is one thing. Making it work in production is another.

Hemi Walker, Kahurangi's Head of Innovation, had been working with a freelance chocolatier on recipe development, running through eight iterations over three weeks. The technical challenge wasn't the chocolate base - that was familiar territory. It was integrating freeze-dried berries at 12% to 15% of the total composition without compromising texture or letting the fruit overwhelm the chocolate.

"The first iteration was too berry-forward, the chocolate got lost," Walker explained. "The next few were too chocolate-heavy, the berries were just texture."

But the more interesting question was sourcing. Kahurangi had two options: buy commercial freeze-dried berries from an established supplier, or work directly with berry growers in the Wairarapa, sourcing fresh fruit during harvest season and managing the freeze-drying process themselves.

The commercial route was straightforward - consistent quality, reliable supply, reasonable pricing. The direct sourcing approach was more complex and roughly 15% to 20% more expensive on ingredient costs, adding about 40 to 50 cents per bar. But it offered something the commercial option couldn't: an authentic story about local partnerships and quality sourcing.

"My strong preference is the direct sourcing approach because it's better for the brand and the story," Walker said. "But I recognise it's more complex."

At projected volumes of 80,000 units annually, the direct sourcing premium would add roughly \$40,000 to \$50,000 in ingredient costs. Not insignificant, but not prohibitive either - particularly for a company building a premium positioning.

## The commercial case

Elena Kovač, GM Sales, had been talking to Kahurangi's retail partners - four major supermarket chains plus independent retailers. The feedback was consistently positive. One confectionery manager told her directly: "That's the gap we've been looking for."

The retailers wanted two things: point-of-sale support and a story they could tell shoppers. Kovač estimated \$30,000 to \$40,000 for a launch campaign including in-store tastings, promotional pricing for the first eight weeks, and advertising support.

Her volume projections were conservative but promising: 18,000 units in the first quarter post-launch, ramping to 35,000 units per quarter by Q4. That translated to roughly 100,000 to 110,000 units in year one, generating \$700,000 to \$770,000 in incremental revenue.

Year two projections doubled that, assuming the product performed well and maintained shelf space.

The margin profile was slightly lower than Kahurangi's existing range - 54% to 55% gross margin versus 58% - due to the premium ingredient costs. But CFO James Patterson quickly calculated that year one would still deliver \$380,000 to \$420,000 in gross contribution, making the product contribution-positive almost immediately.

## The decision

The path forward was clear. Te Whata summarised the decision: "Yes, we move forward with the dark chocolate and berry bar for FY27 launch," with five specific conditions: shelf-life testing locked by end of August, berry sourcing locked by end of August, recipe finalised by end of July, test production run validated in August, and ingredient storage upgrade completed by end of September.

What's notable about Kahurangi's approach isn't any single element - it's the systematic way they moved from consumer insight through technical feasibility to commercial viability. No function operated in isolation. Marketing didn't just hand off a concept and hope for the best. Operations didn't veto ideas based on convenience. Finance didn't kill the project over a \$40,000 ingredient cost differential.

Instead, they made trade-offs explicitly. They acknowledged where complexity existed - in sourcing, in shelf-life testing, in launch coordination - and assigned clear ownership. They set conditions for moving forward rather than assuming everything would work out.

"If we're doing this, we need to own the positioning," Raman noted. "We need to tell the story about why we chose berries - the natural sourcing, the quality, the partnership with berry growers, whatever the authentic story is. We can't just launch a product. We need to launch it with narrative."

Kahurangi isn't just launching a chocolate bar. They're making a deliberate choice about what kind of company they want to be: one that prioritises authentic sourcing stories over operational convenience, that invests in point-of-sale support rather than just shipping product, that tracks performance separately to learn what works.

For a New Zealand chocolate maker competing against European brands with centuries of heritage, that kind of intentionality might be the only sustainable advantage there is.