

Sugar and Gum Confectionery - UK - January 2019

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“The price-sensitivity of the sugar confectionery market and the powerful influence of price promotions present a real challenge to mainstream players. This puts the onus on operators to create even more compelling reasons to buy. Positively, there are a number of largely untapped opportunities in terms of innovation in the mainstream.”

– **Emma Clifford, Associate Director – Food and Drink**

This report looks at the following areas:

- **Personalisation can give a boost to the gifting appeal of sweets**
- **Is vegan NPD the next frontier for mainstream sweets brands?**
- **Fortified and energy-boosting gum could be key to turning around the market’s fortunes**

The value of the sugar and gum confectionery market has been broadly flat over the last few years. While sugar confectionery managed to post volume growth in 2018, this was wiped out by the ongoing decline in sales of gum. There have been more fluctuations in volume sales, these strongly influenced by annual fluctuations in prices, signalling a highly price-sensitive market.

Sugar-free innovation now has some mainstream momentum behind it, driven both by mounting pressure from the government to reduce sugar content and consumer demand. Haribo became the latest leading brand to add an L/N/R (Low/No/Reduced) sugar variant to its portfolio at the start of 2018, following in the footsteps of Nestlé and Perfetti Van Melle in 2017. Vegan innovation is likely to be the next frontier for the mainstream, innovation currently largely limited to premium brands despite the vegan movement rapidly gathering momentum. Despite product development at the premium end of the market in 2018, there remain ongoing opportunities for more sophisticated, adult-oriented innovation. This will be key for sweets to capitalise more on the lucrative gifting occasion.

There are glimmers of hope for the beleaguered gum market. There is considerable demand for products fortified with vitamins/minerals, those which provide an energy boost, and biodegradable products. NPD (New Product Development) addressing these voids in the market could help to turnaround the market’s performance. This is likely to be particularly important given the negative headlines around the presence of plastic polymers in chewing gum.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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