“Consumers’ preference for ‘less but better’ chocolate puts manufacturers in a difficult situation when it comes to making these treats healthier. The market is under pressure from the government, which is calling on treat categories to reduce sugar and calories.”

– Amy Price, Senior Food & Drink Analyst

This report looks at the following areas:

- Manufacturers face opposing demands regarding sugar reduction
- ‘Less but better’ trend is driving premiumisation in chocolate
- Ethical/environmental issues spark mixed reactions

At the same time, most consumers are saying they do not want reduced sugar varieties. However, this mindset also opens up opportunities for premiumisation.

DID YOU KNOW?

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

Products covered in this report

The market

Volume growth returns in 2018

Chocolate confectionery continues to dominate sales

Rising prices affect the market

Improved household incomes give opportunities for premium products

Companies and brands

Brands dominate NPD, with Nestlé taking the lead

Chocolate brands look to cater to health trends through NPD

Vegan claim rises in 2018

Advertisers maintain support in 2018, with Cadbury Dairy Milk the top-spending brand

Cadbury Dairy Milk leads on trust

The consumer

92% of Brits eat chocolate; 59% do so daily

Single-serve bars remain the most popular format

Supermarkets are the most popular place for buying chocolate

People are prepared to pay for a luxury brand when buying a gift

68% would rather have less of regular chocolate than a larger amount of low-sugar

Taste is important to 87%

What we think

Manufacturers face opposing demands regarding sugar reduction

The facts

The implications

'Less but better' trend is driving premiumisation in chocolate
Chocolate Confectionery - UK - May 2019

The facts
The implications
Ethical/environmental issues spark mixed reactions
The facts
The implications

Volume growth returns in 2018
Value and volume growth predicted over 2018-23
Chocolate confectionery continues to dominate sales
Rising prices affect the market
Improved household incomes give opportunities for premium products
Decline in 25-34s and children could adversely impact the market

Market Size and Forecast

Volume growth returns in 2018
Value and volume growth predicted over 2018-23
Chocolate confectionery continues to dominate sales
Rising prices affect the market
Improved household incomes give opportunities for premium products
Decline in 25-34s and children could adversely impact the market

Market Segmentation

Chocolate confectionery continues to dominate sales
Rising prices affect the market
Improved household incomes give opportunities for premium products
Uncertainties surround consumer finances post-Brexit
War on sugar continues
Manufacturers are tasked with cutting sugar
Calls grow for stronger action to be taken to tackle sugar
Progress made on sugar reduction technologies
Parents under pressure to reduce their children’s sugar intake
Snacking should boost chocolate
Pressure grows on the food industry to reduce packaging waste
Decline in number of 25-34s and children could adversely impact market

Companies and Brands – What You Need to Know

Cadbury Dairy Milk retains top position in chocolate confectionery, but sees sales fall
Lindt continues to lead in chocolate assortments
Cadbury Dairy Milk takes the top position in seasonal chocolate
Brands dominate NPD, with Nestlé taking the lead
Chocolate brands look to cater to health trends through NPD
Vegan claims rise in 2018
Advertisers maintain support in 2018, spending almost £95 million
Cadbury Dairy Milk leads on trust

Market Share

Cadbury Dairy Milk retains top position, but sees sales fall
NPD boosts Maltesers, but other Mars brands struggle

Start-ups and Disruptors Case Study – MIA Chocolate

Company overview
What is it?
Founded
Company mission statement
Founder’s story
Sources of funding and support
Mintel analyst View
Mintel Trends
Why it could succeed
Why it could fail
The verdict
The product
Purchase Intelligence (PI)
Product stockists
Social media metrics

Launch Activity and Innovation

Brands dominate NPD, with Nestlé taking the lead

BUY THIS REPORT NOW
Chocolate Confectionery - UK - May 2019

Cadbury and Galaxy launch dark varieties
Brands and own-label chocolate perform equally on purchase intent
Brands outperform own-label chocolate on perceptions of quality, excitement and taste, on average
Sainsbury’s pushes exclusive brand
Chocolate brands look to cater to health trends through NPD
Cadbury focuses on sugar reduction through fibre
Mars Wrigley looks to protein to bring down sugar and calorie content
Looking to fruit and grains for better-for-you credentials and texture
Vegan claim rises in 2018
Hotel Chocolat launches free-from range …
... and hosts vegan tasting events
Sharing remains a key occasion for NPD
Brands look to larger bags
Buttons for Bournville and Maltesers
Nestlé extends Milkybar with Mix Ups, McVitie’s launches Jaffa Cakes Nibbles
Premium launches see a slight rise as manufacturers look to add value
Maltesers and Aero expand everyday premium with boxed chocolates
Premium products look to bars and tablets
Lir returns to the UK
Quality ingredients, provenance and adult flavours trends continue
Calling out quality ingredients
Single origin
Seasonal products aim to offer theatre
More potential for adventurous flavours
Ethical/environmental innovation
Tesco completes move to 100% sustainable chocolate
Plastic packaging comes under public spotlight
Tony’s Chocolonely launches with slave-free claim
Chocolate Confectionery - UK - May 2019

Advertising and Marketing Activity

Advertisers maintain support in 2018, spending almost £95 million

Mars regains top spot after increasing spend in 2018

Galaxy sees spend reduced

Maltesers launches digital-only campaign

Snickers turns to Elton John for ‘You’re not you when you’re hungry’ campaign

Mondelēz cuts spend further

Cadbury Dairy Milk continues kindness theme

Cadbury Dairy Milk targets grown-ups with nostalgic ads

Cadbury amends Freddo Treasures campaign following complaints

Cadbury Creme Egg hacks other brands’ ads for hunting season

‘Human charging points’ to beat afternoon slump with Boost

Nestlé increased support for its brands in 2018

Tesco focuses on sustainability through Food Love Stories

Nielsen Ad Intel coverage

Brand Research

Brand map

Key brand metrics

Brand attitudes: Cadbury Dairy Milk stands out on trust

Brand personality: Maltesers is seen to be the most fun

Lindt Lindor has a strong image as special and indulgent

Brand analysis

Cadbury Dairy Milk leads on trust, comfort and providing good value, and on being seen as the favourite brand

Maltesers stands out for being fun and family-focused

Lindt Lindor is seen widely to offer consistently high quality, contributing to its special image

BUY THIS REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.
KitKat seen widely to be trustworthy, accessible and traditional
   Figure 47: User profile of KitKat, April 2019

Galaxy is seen widely as delicious
   Figure 48: User profile of Galaxy, April 2019

Hotel Chocolat is seen to be the most exclusive brand
   Figure 49: User profile of Hotel Chocolat, April 2019

Kinder seen to have a family focus
   Figure 50: User profile of Kinder, April 2019

The Consumer – What You Need to Know

92% of Brits eat chocolate; 59% do so daily

Single-serve bars remain the most popular format

Supermarkets are the most popular place for buying chocolate

Many people are prepared to pay for a luxury brand when buying a gift

68% would rather have less regular chocolate than a larger amount of low-sugar

'Less but better' trend is evident

Taste is important to 87%

Ethical/environmental issues spark mixed reactions

Usage

92% of Brits eat chocolate; 59% do so daily
   Figure 51: Frequency of eating chocolate, March 2019

Single-serve bars remain the most popular format
   Figure 52: Types of chocolate eaten, March 2019

Milk chocolate is the most popular type
   Figure 53: Varieties of chocolate eaten, March 2019
   Figure 54: Crossover in varieties of chocolate eaten, March 2019

Where Chocolate is Purchased

Supermarkets are the most popular place for buying chocolate

A third buy chocolate from the discounters
   Figure 55: Retailers from which chocolate confectionery is purchased, March 2019

Specialist stores are still very niche

Attributes Shoppers Are Prepared to Pay More For

People are prepared to pay for a luxury brand when buying a gift
   Figure 56: Attributes consumers are willing to pay more for in chocolate bought as a gift and for themselves, March 2019

A minority would pay more for hand-crafted/hand-made chocolate

Personalisation could boost gifting further

Mass-market brands look to mass-personalisation

Niche brands go further

An exciting flavour is the top factor people would pay more for when buying chocolate for themselves
Behaviours Related to Chocolate

- 68% would rather have less regular chocolate than a larger amount of low-sugar
- Cadbury looks to fibre to reduce sugar
- Smaller portions aid efforts to limit consumption
  
  Figure 57: Behaviours related to chocolate, March 2019

'Less but better' trend is evident

Attitudes towards Chocolate

- Taste is important to 87%
- Own-label’s ability to deliver on taste divides chocolate eaters
  
  Figure 58: Attitudes towards chocolate, March 2019

- Ethical/environmental issues spark mixed reactions
- Palm oil is seen as off-putting by 49%

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations
Consumer research methodology

Appendix – Market Size and Forecast

Forecast methodology
  
  Figure 59: UK value sales of chocolate, best- and worst-case forecast, 2018-23
  
  Figure 60: UK volume sales of chocolate, best- and worst-case forecast, 2018-23

Appendix – Market Share

- Figure 61: Leading manufacturers’ sales and shares in the UK retail chocolate confectionery market, by value and volume, 2018 and 2019
- Figure 62: Leading manufacturers’ sales and shares in the UK retail chocolate assortments market, by value and volume, 2018 and 2019
- Figure 63: Leading manufacturers’ sales and shares in the UK retail seasonal chocolate market, by value and volume, 2018 and 2019

Appendix – Launch Activity and Innovation

- Figure 64: Share of new product launches in the UK chocolate confectionery market, by brands vs own-label, 2015-19
- Figure 65: Share of new product launches in the UK chocolate confectionery market, by sub-category, 2015-19
- Figure 66: Share of new product launches in the UK chocolate confectionery market, by claim category, 2015-19
- Figure 67: Share of new product launches in the UK chocolate confectionery market, by claim, 2015-19
- Figure 68: Share of new product launches in the UK chocolate confectionery market, by launch type, 2015-19
- Figure 69: Share of new product launches in the UK chocolate confectionery market, by top 10 flavour components, 2015-19
- Figure 70: Perception map of attribute performance of Cadbury in comparison to branded chocolate among UK consumers, April 2018-March 2019

Appendix – Usage

- Figure 71: Repertoire of types of chocolate eaten, March 2019