

Breaking News on Confectionery & Biscuit Processing

Previous page : [Confectioners face health and indulgence challenges t](#)

Confectioners face health and indulgence challenges

By Charlotte Eyre

30/11/2007- **The seemingly opposing trends of health and indulgence will dominate the confectionery market over the next few years, and manufacturers who do not target both risk losing market share, says a new report.**

Consumers demand more from the confectionery market than ever before, and manufacturers will have to invest heavily in new product development (NPD) to meet their changing demands, according to consumer analyst Global Business Insights.

"Confectionery is intrinsically indulgent, but the future growth of the market will rely on a move away from a sole reliance on indulgence," said author Helen Lewis.

"Natural will be the most important trend in confectionery over the next five years, in line with growing health and nutrition awareness," she added.

According to the survey, 45.6 per cent of consumers feel that "natural" products will be the most important health trend over the next few years, closely followed by low-fat and functional goods.

Dark chocolate made containing 70 per cent or more cocoa, will sell particularly well, along with products containing flavours such as raspberry and hazelnut, the report says.

Lewis added that indulgent and gourmet treats will continue to sell, with "premiumization" being a vital future strategy for the industry, closely followed by regional or authentic products.

Europe

According to the report, Europe is the number one region worldwide for NPD, as more than one third, or 36 per cent, of new confectionery products were launched in the bloc in 2007.

Europe's contribution to global NPD has increased by 4.9 percentage points between 2004 and 2007, and the region's dominant position is not expected to change over the next few years, Lewis said.

Chocolate is the biggest segment of the confectionery industry within the EU, taking up a 49.7 per cent of the overall market in terms of volume sales.

By 2010, the European chocolate market will account for €35.4bn of the wider €61.2bn confectionery market value in the region, making the area potentially one of the most segments for new product development.

While the market share of sugar confectionery has fallen five percentage points over the last few years, pulling the number of new product launches down, certain sub sectors of this category are still experiencing important innovations for the industry.

Key areas in this division are medicated confectionery, caramels and toffees, Lewis said.

According to the report, medicated confectionery will experience compound annual growth rates of 2.4% between 2006 and 2010, to reach \$2.5bn, while caramels and toffees will be worth \$3.5bn by 2010.

North America

In the US, the overall confectionery market will experience stronger average annual growth compared to Europe to reach a value of \$33bn by 2010, according to the report.

The fastest growing category in this area is gum, with an annual compounds growth rate of 5.2 per cent, offering manufacturers huge scope for innovation in the area of functional chewing gum.

Power mints - mints containing added value ingredients such as caffeine, guarana or ginseng - will also grow in popularity in the US, with annual growth rates of 2.1 per cent in terms of value and 2.2% for volume sales.

As witnessed in the German the UK markets, US consumers will also lean towards organic and natural trends, with ethically sourced products growing in popularity, Lewis said.

Emerging Markets

In the Asia-Pacific region, growing economic prosperity is boosting sales of confectionery products or all kinds.

The gift or celebration market, however, is one area to keep tabs on, with about 40 per cent of confectionery bought in the area destined to be offered as gifts for weddings and festivals, Lewis said.

"Government statistics estimate that 20m couples get married every year in China, and if each couple received an average of \$63 of confectionery and chocolates as gifts, it would create a market worth \$1.3bn," she added.

Latin American is also experiencing strong growth in NPD share, albeit from a small market base of 3.2 per cent.

While consumers in this area are gradually interested in purchasing new products, manufacturers should note that traditional confectioneries, or products made with regional ingredients, are also very popular, Lewis said.

Examples cited in the report include Dulce Tamarindo, launched in Mexico in 2006, a type of traditional rolled candy.