



A CONNECTION WITH CANDY:

Trends in the evolving
and vibrant non-chocolate
confectionery market

With growing ranks of consumers looking to reduce the amount of sugar they eat on a daily basis,¹ one would think that the market for confectionery products, especially non-chocolate confectionery, would be in a significant slump. But that is not necessarily the case. It is actually a time of refocus and innovation for this segment, as consumers still look to indulge – but in new and adventurous ways.

That is not to say that attitudes about sugar haven't changed. But, according to Larry Wilson, VP of industry affairs for the National Confectioners Association (NCA) the "war on sugar is not a war on candy."²

Confectionery is still a thriving industry, Wilson maintains, because consumers have a strong and emotional bond with these products that are ingrained in family traditions and seasonal celebrations. More than 9 in 10 Americans still agree that candy is a treat, and most people enjoy some kind of confectionery treat two to three times a week.³ Those habits are evident in market statistics which show that all forms of confectionery products are maintaining sales, while non-chocolate confectionery products saw a modest rise. According to data from NCA and Euromonitor for 2018, chocolate products still command the majority of the segment, but other confectionery products are holding their own:

Non-chocolate confectionery products in the U.S. are actually a bright spot, logging \$7.9 billion in sales for 2017, with solid growth expected for the category through 2022.⁴ Chewy candies, including gummies, represent more than half of this category and are estimated to reach \$5 billion in sales by 2022. Licorice and novelty candy make up 24%, and seasonal and hard candies round out the category at 15% and 9% respectively.⁵

A timeless treat

So people are still passionate about their treats. According to data from The Hartman Group cited by NCA's Wilson, three in four people say treats are more fun when shared with a friend. Moreover, 90% still give gifts of chocolate and candy to loved ones annually.⁶

U.S. Confectionery Sales, 2018



Source: NCA Euromonitor 2018 sales estimates

However enthusiastic they may be, data does suggest that Americans consume too much sugar. The typical American still eats about 22 grams of sugar daily (255 calories) which is well above the approximately 200 calories from added sugar recommended by the U.S. Dietary Guidelines.⁷ But there is data suggesting that candy is not the main culprit. According to analysis of National Health and Nutrition Examination Surveys (NHANES) data, candy consumption has declined over the last decade and is only a modest source of energy in the average American diet, at approximately 2% of energy, which translates to about one teaspoon of added sugar per day.^{8,9}

So consumers are likely to continue to indulge in their favorite candy treats, but they are looking for something new and different to spice up their indulgence. Following are some key trends in the non-chocolate confection space:

Add adventure

When it comes to candy treats, many people are loyal to their childhood favorites, but they are also increasingly interested in trying new flavors that are different and bold. Close to half are interested in trying new flavors,¹⁰ and following the lead of other food and beverage categories, these products are now touting flavors that evoke different cuisines and cultures – think green tea- or sake-flavored candies, bacon- or barbecue-flavored nut bars, as well as unique flavor combinations such as kiwi and celery gummies or ginger wasabi marshmallows.¹¹

Perhaps one reason for this interest is that consumers are now eating these treats at different consumption occasions, including snacks, a personal reward, an on-the-go pick me up or for a special holiday treat.¹²

Products can also ramp up their adventure quotient by helping consumers create a fun eating experience or an occasion to share the treat – for example, products that provide an unexpected flavor or sensory experience such as popping or fizzy candies, or a new way to consume the treat with confectionery dips.

Reduce sugar, not taste

If you can keep it tasting good, many consumers are looking for products with lower sugar content. One way that companies can do this is to reformulate their products with zero-calorie sweeteners that can significantly reduce the sugar and calories in certain products, while maintaining sweetness and taste expectations. Suppliers have been developing a wide range of sweeteners that can meet a majority of taste and sensory challenges in everything from low-sugar gummies to sugar-free licorice twists.



Companies have learned how these components impact taste and texture in products, and are now learning to combine sweeteners such as stevia leaf extracts and erythritol to achieve significant sugar reduction, together with desirable tastes and textures.

Another option is to reduce portion sizes of some treats. Candy companies, for example, have committed to both making nutrition information easily accessible and noting the amount of added sugars on the front of the pack, while also keeping portion sizes at or below 200 calories for a single serving.¹³

Fortify for health

It is not outside the realm of possibility to add a bit of function to confectionery products, and companies are now thinking out of the box. This can mean capitalizing on the “cleaner/greener” concept with confections that may use plant-based ingredients, are certified organic or fair trade, or contain ingredients that are perceived as healthier, such as cinnamon. Confectionery fortified with vitamins and nutrients are an excellent delivery system for health benefits. Gummies have been at the forefront of this trend, but “super candies,” such as those fortified with B vitamins for energy, fiber, electrolytes or antioxidants, are now emerging as a category in the confection segment.¹⁴

The opportunity for confectioners going forward is to not only think outside the box with new flavors and formats, but to also stay on pace with the growing movements of health and transparency. Candies are a treat and should be enjoyed in moderation, so brands have an important responsibility to help their customers enjoy these treats while also managing sugar intake with clear and transparent product nutrition labeling.¹⁵ This also means, Wilson said, educating consumers about the unique role confections can play in a balanced lifestyle.

Featured ingredients for non-chocolate confectionery

Erythritol

- Clean, sweet taste
- Supports sugar & calorie reduction
- Adds bulk, body & mouthfeel
- Supports net-carb reduction

Pectin

- Label-friendly, plant-based ingredient
- Forms a firm gel; clean flavor release
- Meets NOP guidelines for organic & non-GMO*

* There is no single definition of “non-GMO” in the USA. Contact Cargill for source and processing information.

SOURCES:

- ¹ International Food Information Council Foundation (IFIC). 2019 Food and Health Survey. <https://foodinsight.org/2019-food-and-health-survey/>
- ² Wilson, L. “U.S. Confectionery Industry. The Power of Sweet.” National Confectioners Association.
- ³ Ibid.
- ⁴ FONA International. “Candyland: Trends in Non-Chocolate Confectionery.” Sept. 25, 2018. <http://www.fona.com/wp-content/uploads/2018/09/1018-Non-choc-confectionery.pdf>
- ⁵ Ibid.
- ⁶ Mars Wrigley Confectionery Research cited in “U.S. Confectionery Industry. The Power of Sweet.”
- ⁷ Office of Disease Prevention and Health Promotion. “Dietary Guidelines for Americans 2015-2020.” <https://health.gov/dietaryguidelines/2015/guidelines/>
- ⁸ Barraj, L; Murphy, M; Shumow, L. “Trends in Consumption of Candy by the U.S. Population between 1971 and 2012: Results from NHANES.” The FASEB Journal. April 2017. https://www.fasebj.org/doi/abs/10.1096/fasebj.31.1_supplement.788.28.
- ⁹ Ibid. NCA.
- ¹⁰ Ibid. FONA.
- ¹¹ Lozano, M. “The World is Sweet: Key Trends in Confectionery.” TNA Solutions. Jan. 17, 2018. <https://www.tnasolutions.com/nws-media/tna-blog/the-world-is-sweet-key-trends-in-confectionery/>
- ¹² Ibid.
- ¹³ Ibid.
- ¹⁴ Ibid. TNA Solutions
- ¹⁵ Ibid. NCA.

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