

DESSERTS – UK – 2023

Dessert sales have declined despite their being seen as permissible and affordable. Seasonal, high-protein and plant-based desserts hold further potential.



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Desserts - UK - 2023

This report looks at the following areas:

- Performance of the market, including the impact of the rising cost of living and the introduction of HFSS product location restrictions on sales of desserts.
- Key trends in recent launch activity and future product development opportunities.
- Attributes looked for in a dessert product for different occasions, including as a snack, after an everyday/weeknight meal, on a weekend, at a dinner party or for a celebration.
- Consumer behaviours and attitudes related to desserts, including permissibility from a balanced diet perspective and affordability.
- Usage of selected brands and attitudes towards them.



Dessert sales have declined despite their being seen as permissible and affordable. Seasonal, high-protein and plant-based desserts hold further potential.

Overview

Sales of desserts by volume have resumed their pre-COVID-19 decline, exacerbated in 2023 by the income squeeze and HFSS product location restrictions. Premium products will gain in 2024 and after from a 'quality over quantity' mindset given that high-quality ingredients, indulgence and visual appeal are important purchase drivers. There will also be some limited scope in 2024 and beyond for healthier variants to grow sales.

Desserts will continue to face intense competition for the after-dinner occasion. Fewer people chose desserts for this occasion in 2023 than 2019, along with yogurt/fromage frais. However, their permissibility and affordability will support sales. Consumer interest in brand extensions

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points to potential for established dessert brands to extend to other treats popular for this occasion, or for other familiar treat brands to find favour in desserts.

Products that evoke childhood memories and nostalgia continue to hold strong potential in this category, given that **70%** of eaters and buyers agree that eating desserts that remind you of your childhood feels comforting. Avenues for tapping into this range from authentically traditional desserts, to classic flavours for new desserts, and new twists for classic or retro desserts.

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Report Content

EXECUTIVE SUMMARY

Opportunities for the desserts market

- NPD focused on indulgent desserts continues to be firmly warranted
- Potential for dine-in meal deals to drive interest in desserts
- DIY dessert kits have strong appeal

Market dynamics and outlook

- The five-year outlook for desserts
- Income squeeze and reduced visibility has dampened sales but 2023 still showed growth
- Sales forecast to reach £2.1 billion by 2028
- Higher average prices to drive low value sales growth
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- Burst of high-/added protein launches in 2023
- Limited non-HFSS offer in desserts
- Müller is the leading advertiser in desserts

MARKET DYNAMICS

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Market forecast

- Sales forecast to reach £2.1 billion by 2028
- Small declines in volume sales of desserts forecast
- Higher average prices to drive low value sales growth
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- Volume sales declines seen across all segments of desserts
- Higher prices drive growth in chilled, ambient and frozen desserts

Market share

- Higher prices drive growth for branded and own-label chilled desserts
- Gü maintains position as top chilled desserts brand
- Volume sales fall back for biggest brands in chilled desserts
- Own-label products dominate in frozen desserts
- The English Cheesecake Co sees major growth in sales
- Decline in own-label frozen dessert sales
- Ambrosia the leading brand in ambient desserts
- Mixed fortunes for brands in ambient desserts
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- ...and people feel more confident about their financial prospects
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WHAT CONSUMERS WANT AND WHY

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- Being visually appealing a big driver if serving to guests
- In-store screens warrant consideration for showcasing desserts
- An untapped opportunity for 'not too sweet' dessert flavours
- Scope for more tangy fruit flavours in desserts
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