Promote ice cream's affordable treat proposition amidst high inflation; appetite for less sweet ice cream flavours provides a vehicle for sugar reduction.

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Ice Cream - Germany - 2023

This report looks at the following areas:

• Market drivers for ice cream, including the impact of inflation and the dairy reduction trend
• Consumption frequency, with dairy ice cream being the most popular
• Important factors for an ice cream to be considered healthier, including all-natural and low in sugar as the most important factors
• Behaviours and attitudes related to ice cream, including opportunities linked to easy-to-recycle packaging and dairy & non-dairy ice cream blends
• Trends in launch activity and opportunities for further innovation

Whilst ice cream brands will be challenged by financially squeezed consumers trading down to own labels, they can promote ice cream's affordable treat proposition amidst high inflation; appetite for less sweet ice cream flavours provides a vehicle for sugar reduction.

Concern about the climate is reaching an all-time high, and consumers are looking for help and guidance to shrink their carbon footprint. However, positively for ice cream, 48% of German ice cream eaters say that they don't eat enough ice cream to worry about its impact on the environment, somewhat protecting the category from the rise in eco-friendly consumption.

Personalisation can resonate in ice cream, with 37% of German ice cream users interested in trying ice cream in a DIY sundae kit, which includes ice cream, a sweet baked good and a
topping. This rises significantly among the under-45s (48%) and parents with children aged 18 and under (47%).

Beyond this, there is scope for **ice cream brands to explore less-sweet flavours**, these sparking interest among 37% of German ice cream eaters. **Exploring herbs can be one way to add sophistication** and dial down the sweetness of ice cream. Indeed, 23% of ice cream eaters are interested in ice cream that is flavoured with herbs.
EXECUTIVE SUMMARY

Key issues covered in this Report

- Overview
- The five year outlook for ice cream

Market context

- Graph 1: frequency of eating ice cream, 2019 vs 2022
- Ice cream will stay on the menu thanks to Germans’ ‘everything in moderation’ mindset

Mintel predicts

- Whilst value growth can be expected due to price rises, ice cream volumes are predicted to decline
- Market size & forecast
- Inflation will be the main driver of value growth...
- ...while volumes face slight decline over 2022-27

Opportunities

- Innovate more around premium classics
- Tap into the interest in DIY sundae kits
- Step up innovation around less-sweet flavours
- Put taste credentials of non-dairy ice cream first

The competitive landscape

- Graph 2: company retail market share of ice cream, by value and volume, 2021

MARKET DRIVERS

The German economy

- Graph 3: key economic data, in real terms, 2019-24
- Inflation continues to be the key concern in 2023 for consumers, brands and the economy...
- ...impacting financial wellbeing and consumer expenditure
- Ice cream is an affordable treat in times of crisis
- Ice cream is an affordable treat in crisis
- Ice cream will stay on the menu thanks to Germans’ ‘everything in moderation’ mindset
- The ice cream category is somewhat protected from consumer concerns around eco-friendly consumption
- Dairy reduction trend challenges the category but also represents new opportunities
- Graph 4: average summer temperature, 2016-22
WHAT CONSUMERS WANT AND WHY

Usage of ice cream
- Graph 5: frequency of eating ice cream, 2019 vs 2022
- Graph 6: types of ice cream eaten, by age, 2022
- Graph 7: formats of ice cream eaten, 2022
- Graph 8: repertoire of formats of ice cream eaten, 2022

Concepts of interest in ice cream
• Innovative DIY ice cream kits warrant attention
  - Graph 9: interest in concepts of ice cream, 2022
• Personalisation in ice cream stands to resonate...
• Less-sweet flavours warrant attention
• Opportunity to innovate with more sophisticated flavour profiles
• Global perspective: spice flavours are emerging in ice cream
• Help consumers with portion control via bite-size formats

Important factors for an ice cream to be considered healthier
• All-natural and low in sugar are most important factors
• Naturalness is a strong indicator for healthiness
• Organic and recognisable ingredients can help create an all-natural halo
• Sugar reduction in ice cream continues to warrant attention
• Low-sugar ice cream will particularly resonate with parents
• Combine various attributes for a more holistic BFY positioning

Behaviours towards ice cream
• Seven in 10 ice cream eaters would be swayed by ice cream that comes in easy-to-recycle packaging
  - Graph 10: behaviours related to ice cream, 2022
• Continue to innovate around easy-to-recycle packaging
• Brand leader Magnum sets example for open communication around packaging
• Cocktails/mocktails made with ice cream spark widespread interest...
• ...boding well for herbal flavours in ice cream that pair nicely with trending spirits

Attitudes towards ice cream
• 'Trading up while trading down' mentality offers premiumisation opportunities
  - Graph 11: attitudes towards ice cream, 2022
• Dense texture of ice cream can be a means to portray premium quality
• A strong call for premium classics
  - Graph 12: usage of non-dairy ice cream, by age, 2019 vs 2022
• Reassure consumers of non-dairy ice cream’s taste credentials
• Position ice cream blends as a no-compromise-on-taste option
  - Graph 13: agreement that eating ice cream made with a blend of dairy and plant-based milks is a good way to reduce your impact on the environment, 2022

LAUNCH ACTIVITY AND INNOVATION
  - Graph 14: launches of ice cream, by top 10 ultimate companies, 2020-22
• Multipacks are high on retailers’ agendas, appealing to price-sensitive consumers
  - Graph 15: launches of ice cream, by top five format type, 2020-22
• Strong growth in ethical and environmental claims since 2020
  - Graph 16: launches of ice cream, top 10 claims, 2020-22
• Ben & Jerry’s and Tony’s Chocolonely collaboration pushes the ethical and fair message
• International inspiration: brands explore alternative packaging options
  - Graph 17: ice cream launches, by top five health-related claims, 2020-22
• Ice cream brands pair L/N/R claims with other benefits
• Oppo’s BFY ice cream with award-winning taste to prove value
  - Graph 18: average sugar content (g per 100g/ml) in ice cream NPD, by sub-category, 2020-22
• Claims around veganism and plant-based present further opportunities
• Ben & Jerry’s offers non-dairy versions of their classic dairy flavours
• Oatly! launched plant-based ice cream with a CO2 label
• Non-dairy ice cream brands promote the goodness of the base ingredient
  - Graph 19: launches of ice cream, by flavours (inc. blends), 2020-22
• Nomoo offers all in one: organic, vegan, less-sweet and classic flavours
• International inspiration: how to premiumise a classic flavour
• Eat with your eyes: Unilever focuses on visual appeal of its tubs
• Ice cream is a playground for innovation, attracting well-known brands from other categories

Advertising and marketing activity
• Magnum launches ‘Get old or get classic’ campaign
• Choose your next adventure with Nuii Coconut & Indian Mango

MARKET SHARE
• Own label continued to dominate retail volume sales in 2021, but lost share to Unilever

Retail market share of ice cream, by value and volume, 2020-21
• Unilever gains share from own label in 2021
MARKET SIZE, SEGMENTATION AND FORECAST

• A cooler summer and fewer COVID-19 restrictions see retail sales of ice cream drop in 2021

Retail value sales of ice cream, by segment, 2019-21

• Family packs lead volume sales, while multipacks are clear number one in value sales
• Value for money drives ice cream sales across segments
• Retail volumes predicted to decrease slightly, whilst price increases are expected to boost value sales
• Inflation will be the main driver of value growth (+11.5%) over 2022-27...
• ...while volumes are projected to decrease by 2.7%

APPENDIX

Appendix – products covered, abbreviations, consumer research methodology and language usage

• Products covered in this Report
• Abbreviations
• Consumer research methodology
• A note on language

Appendix – market size and central forecast methodology

• Forecast methodology
• Forecast methodology – fan chart
• Market size – value
• Market size – volume
• Market forecast and prediction intervals – value
• Market forecast and prediction intervals – volume
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