# ICE CREAM – GERMANY – 2023

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

A Mintel Analyst, Global Analyst

# 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

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

**Overview**

Whilst ice cream brands will be challenged by financially squeezed consumers trading down to own labels, they can **promote ice cream's affordable image** with price anchoring or larger value-for-money packs. Meanwhile, smaller, bite-sized formats can push the category in an always-affordable direction for an indulgent treat, even when incomes are squeezed.

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.

# Report Content

## EXECUTIVE SUMMARY

### Key issues covered in this Report

- Overview
- The five year outlook for ice cream

### Market context

- Ice cream has universal appeal; 25-34s and parents are core users
  - 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

- Unilever is the market leader, but own-label is strongest in volume sales
  - Graph 2: company retail market share of ice cream, by value and volume, 2021
- Quick download resources

## MARKET DRIVERS

### The German economy

- The cost of living crisis is holding back the post-COVID-19 recovery
  - 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
- Hot summers drive sales of ice cream

  - Graph 4: average summer temperature, 2016-22

## WHAT CONSUMERS WANT AND WHY

### Usage of ice cream

- Ice cream has universal appeal; 25-34s and parents are core users

  - Graph 5: frequency of eating ice cream, 2019 vs 2022
- Dairy ice cream by far the most popular type across all age groups

  - Graph 6: types of ice cream eaten, by age, 2022
- Ice cream tubs are the most used format

  - Graph 7: formats of ice cream eaten, 2022
- German ice cream eaters aged 16-24 eat three or more formats

  - 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…
- …and innovation around making ice cream at home could appeal to the highly  engaged ice cream consumer
- 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
- Ice cream made with dairy alternatives strikes a chord with younger consumers
  - 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
- Highlight 'good for me, good for the planet' benefits of ice cream blends
  - 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

- Discounter and retailer lead ice cream NPD
  - Graph 14: launches of ice cream, by top 10 ultimate companies, 2020-22
- Multipacks are high on retailers' agendas, appealing to price-sensitive consumers
- Handheld formats gain share of launches
  - 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
- BFY ice cream NPD remains limited
  - 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
- Average sugar content lowest for plant-based ice cream
  - 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

- Vanilla and chocolate remain the most popular ice cream flavours
  - 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
- UK inspiration: The Ice Cream Project in London

## 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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