Position sweets as inexpensive mood boosters. Look beyond breath freshening to target gum users. Focus on flavour in BFY offerings.
Position sweets as inexpensive mood boosters. Look beyond breath freshening to target gum users. Focus on flavour in BFY offerings.

This report looks at the following areas:

• Market drivers for sugar and gum confectionery, including the impact of inflation and growing health awareness
• Sugar and gum confectionery usage and changes in consumption since 2021
• Frequency of sugar and gum confectionery consumption, including the usage of gum among younger Germans and the potential for tie-ins with streamers to drive sales
• Motivations for gum usage and potential to offer more than fresh breath such as concentration boosting and appetite suppressing
• Interest in flavours of sweets and how tastes change with age
• Behaviours related to sugar and gum confectionery and the potential to capitalise on social media
• Attitudes towards sugar and gum confectionery and the need to boost the image of sweets for gifting occasions
• Recent product launch activity and innovation

The high cost of sugar alongside soaring energy rates, have led to cost increases that can no longer be absorbed by manufacturers, which will result in higher prices, driving retail value sales. Price increases will likely be accepted by many, given the relative affordability of confectionery.

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Consumption of sugar and gum confectionery dipped slightly following the pandemic due to consumers taking stock of their health and eliminating non-essential costs as well as Germans returning to work and diminished opportunities to indulge at home.

With 47% of Germans relegating sweets to a low-priority spend when money is tight, sweets must enhance their image as an essential, affordable mood booster.

Gum is used by fewer Germans, but is consumed more frequently than sweets due to its lower sugar content. Gum could be positioned for usage beyond breath freshening such as appetite suppressing, therefore, targeting those looking to manage their weight.

Greater attention to flavour and texture in the category will help sugar and confectionery attract young Germans, particularly the 41% of 16-34 year old Germans who like to try out new foods/flavours. Catering to older consumers must be a top priority and focusing on their specific taste palates by offering less-sweet flavours will be key in attracting this demographic.
EXECUTIVE SUMMARY

Key issues covered in this Report

• Overview
• The five year outlook for sugar and gum confectionery

Market context

• Sugar reduction gives BFY sweets a tailwind
  - Graph 1: repertoire of types of sweets eaten, 2023

Mintel predicts

• Market size & forecast
• Sales will benefit from increased prices while volume will increase due to mood-boosting effects
• Expect moderate increase in volume sales
• Increase in raw ingredient costs drives value growth

Opportunities

• Smaller portions reduce the sugar but retain the flavour
• Leverage the versatility of gum usage
• Create excitement through flavour and texture to target younger Germans
• Use natural ingredients to boost sweets as part of a balanced diet

The competitive landscape

• Brands continue to dominate the sugar and gum confectionery market
  - Graph 2: company retail value and volume shares of sugar and gum confectionery, 2022

MARKET DRIVERS

The German economy

- Graph 3: key economic data, in real terms, 2019-24
• Inflation slows down – but remains at a higher level
• Inflation is still the key factor affecting consumers’ finances...
  - Graph 4: financial confidence index, 2022 - 23
• The negative impact of a challenged economy on the sugar & gum confectionery category
  - Graph 5: behaviours related to inflation, 2023
• Scrutiny of NSS casts doubt on sugar substitutes to aid weight loss
• Proposed ban on advertising unhealthy food to children likely to drive sales of confectionery down
- Graph 6: self-reported current weight, 2023
- Graph 7: sugar & gum confectionery launches, by Nutri-Score inclusion, 2021-23
- Graph 8: frequency of eating healthily, 2023

- Reluctance to return to the office will hamper sales of mints and gum
  - Graph 9: population by age group, 2020-30
  - Graph 10: households and projected households, by type of household, 2000-40
  - Graph 11: any sweets or gum consumption, by selected life stages, March 2023

- Mood-boosting sweets can counter loneliness as single households increase

**WHAT CONSUMERS WANT AND WHY**

**Types of sweets and gum eaten/used**
- Graph 12: types of sugar and gum confectionery eaten/used, March 2023

- Consumption of all sweets or gum dipped in 2023
  - Graph 13: usage of sweets and gum, by age, 2023
  - Graph 14: variety of sweets eaten, 2023
  - Graph 15: sweets and gum not eaten/used, by financial situation, 2023

- Sweets are a mood booster with universal appeal
  - Graph 16: spending priority on sweets when money is tight, 2023

**Frequency and location of eating/using sweets and gum**
- Graph 17: frequency of using sugar and gum confectionery in the last three months, 2023

- Target German gum users returning to work while also boosting at-home chewing
  - Graph 18: places gum is mostly used by consumers, 2023
  - Graph 19: location where sweets are consumed, 2023

- Streaming tie-ins resonate with sweet-eating for 16-24s...
- ...but TV tie-ins speak to older Germans
- Position sweets as a treat to accompany the UEFA EURO 2024

**Motivations for using gum**

- German gum users are most driven by the desire for fresh breath
- Functional gum gives more than fresh breath
- Control hunger with gum
  - Graph 20: use of gum by 16-34 year olds, 2018-23
- Provide stress relief through CBD gum
  - Graph 21: consumers who cite a reason they chew gum is ‘to help me to concentrate’, by gender, 2023
- Gaming is an opportunity for gum
- Gum proves its versatility internationally
Interest in flavours in new sweets products

- 'Less sweet' proves a popular flavour with German sweet eaters
  - Graph 22: interest in trying new flavour in sweets, by age, 2023
- Exotic fruit flavours tap into the desire for experimentation
- Cream flavours appeal to Germans aged 45+
- Target Germans aged 55+ with less-sweet flavours
- Shake up flavours in sweets and gum by inviting Germans to get creative

Behaviours related to sugar and gum confectionery

- Sweets that evoke childhood memories resonate most with German sweet eaters
  - Graph 23: behaviours towards sugar and gum confectionery, 2023
- Leverage the power of nostalgia
  - Graph 24: interest in mint-alternative breath fresheners, by age, 2023
- Spicy ingredients can give gum a freshness kick similar to mint
- Surprise gum users with flavours taken from carbonated soft drinks
  - Graph 25: interest in gum made from all-natural ingredients, by age, 2023
- Plastic-free provides a cleaner image for gum
- Smaller formats can cut the sugar content without altering the flavour
- Offer an alternative to sugar with plant-based options
  - Graph 26: consumers who have tried a sweets brand/product after seeing it advertised on social media, by age, 2023
  - Graph 27: selected social media platforms used by Germans aged 16-24 to follow brands, 2023
- Social media and fun content could speak to German sweet/gum eaters/users aged 16-34
  - Graph 28: most important factors when food shopping, 2023*
- Satisfy the desire for BFY by highlighting natural ingredients
- Highlight low-sugar, functional benefits and vitamin content for a BFY image

Attitudes towards sugar and gum confectionery

- Price-savvy Germans are open to imperfect sweets
  - Graph 29: attitudes towards sugar and gum confectionery, 2023
- Promote wonky sweets at a discounted price to limit food waste and satisfy cash-strapped Germans
  - Graph 30: consumers who find gelatin off-putting, by age, 2023
- Cut out gelatin, but focus on texture
- Ramp up the image of sweets as gifts among younger Germans
- Target younger Germans with biodegradable gum
- Organic will resonate with environmentally and health-conscious Germans
- Organic sweets benefit from a cleaner image that could counter the negative perception
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• Medicated confectionery is boosted by consumer interest in health in 2023
  - Graph 31: sugar and gum confectionery launches, by sub-category, 2021-23
• The inclusion of ingredients such as ginger further the healthy image of medicated sweets
  - Graph 32: sugar and gum confectionery launches, by top five companies, 2021-23
  - Graph 33: Haribo launches, by launch type, 2013-23
• Sugar content remains stable for market leader Haribo
  - Graph 34: Haribo launches, by average sugar content, 2013-23
• Katjes Fassin focuses on ingredients
• Mars Wrigley switches to sustainable packaging
• Launches of own label experienced an uptick in 2023
  - Graph 35: sugar and gum confectionery launches, by brands vs private label, 2021-23
• Own labels can attract the price-savvy
• New varieties and new packaging are less risky during tough times
• Brands quench the thirst for experimentation by taking inspiration from soft drinks
• Replicate the fizzy drink experience
• Cool gummy sweets for summer
• Take texture inspiration from other treats
• Fortified claims gain strong momentum in sugar and gum confectionery launches in 2023
  - Graph 36: launches of gum and sugar confectionery, by top 10 claims, 2019-23
• Fortified confectionery can zoom in on the desire for BFY treats
• Vegetable juice offers a less sugary image for sweets aimed at children
• Health-conscious Germans are open to a larger range of healthier treats...
  - ...but do not want to compromise on flavour
• Smaller portions align with 'all in moderation' attitude
• Ethical claims take precedence in sugar and gum confectionery launches in 2023
  - Graph 37: sugar and gum confectionery, by selected eco-ethical claims, 2022-23
  - Graph 38: launches of sugar and gum confectionery, by top 10 eco-ethical claims, 2019-23
• Plastic-free packaging targets 16-24-year-old Germans
• A low carbon footprint could entice younger Germans
  - Graph 39: launches of sugar and gum confectionery, by sugar-free and no-/low-/reduced-sugar claim, 2021-23
• Reduce the sugar, keep the flavour
• Demand for reduced sugar will give BFY sweets a tailwind

Advertising and marketing activity

• Highlighting the health-boosting properties of herbs
• Respect for animals enhances the appeal of sweets
Sour flavours are a popular choice for German sweet eaters
Thinking outside the box when it comes to sweet-eating occasions

MARKET SHARE
- Market share in sugar and gum confectionery
- Haribo gains the most share in 2022
- Haribo’s constant stream of new launches helps it gain the most volume share in 2022

MARKET SIZE, SEGMENTATION AND FORECAST
- Retail volume/value sales see growth, owing to higher prices and sweets being seen as permissible treats
- Retail value sales of sugar and gum confectionery, 2020-22
- Rising costs of raw materials is likely to drive up value sales
- Retail and other volume sales of sugar and gum confectionery, 2020-22
- Volume sales will rise moderately

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