

### 62 Pandemic boosts desserts

Locked-down Brits have turned to ice cream for comfort, sending sales soaring, shows Kantar data

### 63 Luxury trade-ups

Premium and luxury brands have benefited from shoppers' search for indulgent sweet treats

### 64 Ice cream innovations

From plant-based Halo Top to millionaire shortbread gelato – our latest NPD roundup



# Brain-freeze Britain

## Indulgent ice cream sales have exploded as Brits treat themselves more at home. So where does this leave better-for-you lines?

Abbie Dawson

**H**ow's your waistband holding out? If you're still slipping into your pre-pandemic wardrobe one year on, you're doing well. While scores of Brits embraced healthier lifestyles during lockdowns, others boosted their morale by tucking into treats.

That's shown by the extra 54 million litres of ice cream that went through the tills last year, adding £226.1m to the take-home market [Kantar 52 w/e 27 December 2020]. And, as consumers sought out comfort in calories, indulgent lines were the biggest winners. To sum up the nation's mood: Magnum was the fastest-growing brand and better-for-you sensation Halo Top was the fastest-falling [Nielsen].

"Well over a third of consumers are treating themselves now more than ever, and are

looking for comfort and indulgence," says Kat Jones, marketing manager at Häagen-Dazs.

So where does all this indulgence leave low-calorie lines? Was 'healthy' ice cream just a flash in the tub? And with lockdown restrictions easing and people venturing out, what's the forecast for ice cream this year?

In one sense, little has changed. "Even prior to Covid, indulgence has always been the number one driver behind the growth of the category," explains Jennifer Dyne, ice cream brand experience director at Unilever.

**"Well over a third of consumers are treating themselves now more than ever"**

That was simply accelerated by the pandemic. The exponential growth of Unilever's Magnum brand, up £38.4m to £207.4m [Nielsen 52 w/e 5 September 2020], highlights the level of appetite. It capitalised on that with the launch of a highly indulgent Double Gold Caramel Billionaire flavour this month.

Magnum isn't the only winner in this space. The luxury and premium ice cream categories saw sales shoot up 18.4% and 18.3% respectively last year [Kantar]. And handheld formats grew ahead of tubs. So if you could combine handheld with luxury, you were in for a sales boom.

See Froneri's Nuii range of chocolate sticks, which more than doubled in value to £13.7m [Nielsen]. "With this increase in snacking at home, handheld formats have generally been more suited to the change in situation," says Henry Craven, customer marketing controller at Froneri. "But throughout ↗

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# focus on... ice cream

## Pandemic boosts desserts: take-home ice cream sales

- The £226.1m growth in ice cream sales is down to a higher number of shoppers buying more frequently and a higher volume per trip.
- The pandemic led to more in-home dessert occasions, and good weather during bank holidays last year also helped boost sales.
- Shoppers paid 16p more on average for ice cream last year, with the biggest price hike coming from chocolate snacks.
- The fastest-growing categories were chocolate snacks and family desserts, up £27.7m and £22.7m respectively, and brands grew fastest.

<b>Total ice cream</b> (+20.7%)	<b>£1,316.9m</b>
<b>Chocolate snacks</b> (+22.7%)	<b>£417.0m</b>
<b>Luxury dessert</b> (+18.4%)	<b>£230.8m</b>
<b>Premium dessert</b> (+18.3%)	<b>£198.7m</b>
<b>Kids' ice cream</b> (+19.3%)	<b>£145.7m</b>
<b>Filled cones</b> (+18.9%)	<b>£136.6m</b>
<b>Standard dessert</b> (+12.1%)	<b>£82.9m</b>
<b>Adult refresh</b> (+19.2%)	<b>£56.2m</b>

Source: Kantar 52 w/e 27 December 2020

the pandemic, many of us have looked for little ways to treat ourselves, so it's the more indulgent sectors such as chocolate sticks that have performed especially well."

Indulgent tubs haven't done too badly either. Take luxury brand Mackie's, which grew 22% to £15.4m [Nielsen]. "Consumers have been looking for an indulgent product that they can enjoy in moderation," says sales director Stuart Common. "They have been looking for a mood booster and real dairy ice cream has always proved an effective and affordable way of doing this."

Another winner from this trend was Häagen-Dazs, which saw its tub sales increase 8.9% to £56.2m [Nielsen]. Owner General Mills says those who previously would have bought more everyday brands are now trading up for a moment of luxury. It is looking to repeat that performance in 2021 with the launch of Duo variant – a tub combining a split of two contrasting flavours.

Häagen-Dazs' success wasn't just about flavours, though. It also demonstrated some savvy marketing by evolving its partnership with virtual film club Secret Cinema to present Secret Sofa. "We made a call quite early on [in the pandemic] to change some of our marketing strategies and pivot some of our

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\*source: iri scantrak 1 total market

other partnerships,” says Jones. “We tried to be sympathetic to what was happening in consumers’ lives and find ways to bring little moments of joy and luxury when it’s been needed.”

**Better-for-you slump**

But in an environment so focused on luxury, not everyone benefited. Halo Top is a case in point. Its core claim – that it contains less sugar and calories than the leading brands without any compromise on taste – generated a wave of publicity when it launched on UK shores in 2018.

By contrast, that claim seemed to fall on deaf ears last year. Halo Top’s sales fell by 39.8% or £9.3m [Nielsen 52 w/e 5 September 2020], representing the largest loss of the top 50 ice cream brands.

EMEA divisional director David Taylor believes that was simply a blip. “With many promotional activities being cancelled and consumers prioritising freezer staples, there were understandably some challenges in the first half of the year,” he says.

“The second half of 2020 was particularly strong for the Halo Top brand, where ‘health’ occasions rapidly grew among consumers.”

With that in mind, the brand has big



**Handheld ice cream was the winning format of last year, with sales up 19.1% to £718.9m [Nielsen]. Eight of the top 10 handheld brands saw double-digit growth. Tubs didn’t do badly either, though – up 10.3% to £495.2m**

ambitions for the year ahead, including a new plant-based range made from oat milk that will roll out in March (see p64).

General Mills’ Jones agrees better-for-you options will start to regain their mojo. “As the pandemic took hold, there was a really big resurgence of growth in indulgence, and maybe wellness took a temporary dip in growth,” she says. “But it’s still a big consumer trend that’s here to stay and we expect to see that segment pick up again, particularly as we come into the new year.”

If low-calorie brand Oppo is anything to go by, there is certainly mileage left in the proposition. Sales of its tubs grew 30% last year to hit nearly £2.5m.

Co-founders Charlie and Harry Thuillier believe that success is down to Oppo’s focus on “quality of product and premium, natural ingredients” in its range. “We understand consumers are unwilling to compromise on taste,” they add.

That’s one thing Unilever is mindful of in its work to tackle sugar levels across its ice cream portfolio. It’s arguably the right time to do it, given that the government obesity strategy is set to shine a spotlight on HFSS foods like never before.

With that in mind, it has committed →

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## ce lollies





## Millionaire Shortbread Gelato

**Launch date:** March 2021 **Manufacturer:** Hackney Gelato

Tapping into the trend for indulgent flavours, the latest launch from Hackney Gelato comprises smooth gelato, a caramel ripple and “proper” chunks of home-baked shortbread and Belgian milk chocolate. The brand, whose fans include Nigella Lawson and Jay Rayner, takes its name from the East London kitchen in which its small-batch ice cream is created. It supplies high-end and Michelin-starred restaurants around London and will roll out in Tesco next month (rsp: £5.49/500ml).

**“As the pandemic took hold there was a really big resurgence of growth in indulgence”**

to ensuring 95% of its global ice cream portfolio contains no more than 22g sugar or 250 calories per serving by 2025. Progress so far includes reducing the sugar in Cornetto Classic by 21% and a double-digit reduction in Magnum Almond and Mint variants.

Getting it right requires a fine balance, says Unilever’s Dyne. “Structurally, sugar is really important to how we create ice cream, so how we reduce that without compromising taste is one of our biggest challenges.”

### Virtuous cues

Still, reducing sugar isn’t the only way an ice cream brands can appear more virtuous. No one knows this better than Unilever stablemate Ben & Jerry’s, whose tub sales increased 28.5% to £126.6m last year [Nielsen].

Clearly, it was well placed to capitalise on the indulgence trend. But Unilever believes Ben & Jerry’s also benefited from its activist campaigns. That included renaming its plant-based Coconutterly Caramel’d flavour to Save Our Swirled Now, in a bid to raise awareness of climate change, and challenging the government on refugee rights.

“For the fans, it’s more about the values behind the brand, which really reinforces the importance that, as an industry leader, we need to make sure we bring the excitement that makes a sustainable change to the world – that’s what people are looking for,” says Dyne.

In a similar vein, Jude’s says it reaped the rewards of becoming Britain’s first carbon-negative ice cream company, with sales up £3.2m (76.2%) [Nielsen]. “From the overwhelmingly positive response, it is clear shoppers are increasingly considering the environmental impact of the ice cream they buy,” says MD Chow Mezger. “There is a huge move towards sustainable, local, relatable brands that connect with consumers.”

Meanwhile, marrying the demand for indulgence with sustainability proved a winner for Northern Bloc, which last year became the first brand in the UK to launch fully biodegradable packaging of its 500ml tubs, replacing the plastic coating with a natural alternative. Its sales grew 76% to just shy of £500k [Nielsen].

So it seems the desire for healthier options isn’t going anywhere. Even if that means healthier for the planet, rather than healthier for our waistslines.



## Mackie’s Choc Orange & Honeycomb

**Launch date:** March 2021  
**Manufacturer:** Mackie’s of Scotland

This latest flavour from Mackie’s contains a combination of farm-made ingredients, including milk from its herd of Mackie’s cows, chocolate orange made with Mackie’s chocolate and home-made honeycomb pieces. Produced in Aberdeenshire, it will land in Tesco, Sainsbury’s, Iceland, Co-op and Ocado (rsp: £3.89/one litre).



## Halo Top Plant Based

**Launch date:** March 2021  
**Manufacturer:** Halo Top

The new plant-based range from Halo Top will debut with two flavours: Caramel Chocolate Pretzel and Peanut Butter Chocolate Overload. Made using oats rather than dairy milk, both tubs are under 400 calories as well as being vegan-friendly. The duo will initially roll out at Tesco stores (rsp: £5/473ml).



## Wheyhey Brownies & Cream

**Launch date:** April 2021  
**Manufacturer:** Wheyhey

The latest addition to Wheyhey’s ice cream portfolio contains chewy brownie pieces, offering a “unique taste sensation” with every bite, says the brand. It says the ice cream is a source of protein (8.8g per 100ml) and fibre (2g per 100ml), while being low in sugar (0.05g per 100ml). The cream used comes from grass-fed cows (rsp: £4.50/500ml).



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<sup>1</sup>Nielsen, 2nd Jan 2020, 28% MAT RSV growth