

The Grocer

Focus On: Ice Cream by Simon Gwynn (Simon.Gwynn@wrbm.com)

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The Story

- **Britain has spent an extra £34m on ice cream in the past year, a 4.1% rise. That's in spite of a fall in occasions in which ice cream is eaten, thanks chiefly to a decline in ice cream's appearance at evening meals, and flat volume sales. So what's driving the growth? What impact are luxury extensions of existing premium tub brands having? Why are volumes flat and occasions down? And what are players doing to cash in on seasonal events outside summer (Easter, Christmas, etc) and make ice cream more of a year-round affair?**

Key themes:

Seasonal events: That ice cream volumes were in strong growth in 2013, a year in which Britain basked in record summer temperatures, and then flattened during the milder 2014 makes it clear the sector is still reliant on the sun shining for growth. So how are players looking to 'de-seasonalise' the sector? Can developing products for seasonal events such as Easter and Christmas help? We will be profiling four new seasonal, non-summer products in a separate box out.

Dessert: Ice cream is no longer just about grabbing a cone or a lolly from a forecourt on a hot summer day; manufacturers are looking to establish ice cream as a sophisticated dessert. So who's doing what in this area? And, given that our research shows that there has been a reduction in ice cream consumption for dessert, how successful have they really been?

Chocolate snacks: Ice creams defined as 'chocolate snacks', primarily chocolate coated ice cream sticks and ice cream versions of chocolate countlines are still the market's biggest sector and they're growing strongly. This feature will explore the brands, own label manufacturers and retailers that are driving this and how they are using factors like NPD, promotions and advertising to win sales.

Kids: Ice creams and lollies aimed specifically at kids are in decline at present. This feature will explore the factors that are driving this and how brands, own label manufacturers and retailers are looking to use factors like NPD, promotions and advertising to turn things around. How important are licensed products to this sector?

Adult lollies: This feature will explore why this area is one of the strongest performing in the category. Which brands are driving the sector's growth and how? What are they doing to maintain it over the coming year?

Different formats: This feature will explore the contrasting fortunes of different formats of ice cream, from cones (in slight growth) through to ice cream sandwiches (flying) and the factors that are driving their performances. Is the ice cream sandwich set to be the next big thing in British ice cream?

Health: This feature will weigh up exactly how the whole health debate is impacting the ice cream market, with particular attention being paid to the rise in demand for high protein products. It will include a separate box out profiling high protein brands and their potential for growth over the coming year. Is there really mainstream potential for such brands?

Frozen yoghurt: Many of the major players have been investing in frozen yoghurt in recent years. This feature will explore in detail how these brands have been performing in the past year with a particular focus on how the host of smaller brands in this increasingly crowded category are being affected by the growing attention larger players are paying it.

Discounters: With the discounters stealing growing share of ice cream from the supermarkets, this feature will include an exploration of the product offerings of these retailers and how they are managing to grow at such an impressive rate. What can the mainstream retailers learn from them, other than the need to offer low prices?

Own label: Own label is being outgrown by brands. This feature will explore the factors that are leading to this and investigate whether any retailers are bucking this overall trend. Another focus will be on how brands' prices are being affected in the battle with own label.

Innovation: This will be key to this feature. We will be investigating how new product development has shaped the category over the past year and what is in store for shoppers in 2014. We will be profiling four of the most interesting launches in a separate innovation panel.

Promotions: This feature will explore how the promotional strategies of retailers and brands have changed over the past year. Attention will be paid to the promotional strategies of retailers and how this has affected average prices over the past year.

Advertising and marketing: This feature will also investigate how the marketing and advertising strategies of the category's biggest brands have evolved over the past year and how they will develop in the coming year to sustain growth or return brands to growth.

Key questions the feature is likely to address:

- What consumer trends have impacted the category over the past year?
- How have promotional strategies (both in terms of price and marketing) evolved?
- How have individual retailers' strategies impacted the market?
- How has merchandising changed in the market?
- What impact has own-label had on branded players?
- What's next for the category?