

20 CATEGORY INSIGHT 17 REPORT



A GLOBAL LOOK AT DAIRY & PLANT-BASED ICE CREAM

Ice cream is going through an innovation revolution. From adding carbonation to removing dairy to taste experimentation, ice cream can be everything to everyone. What else are we spotting? Changing dayparts, ethical claims, alcohol flavors and fun ingredient additions.

With 65% of Americans saying that ice cream is their favorite food to eat in the summer, the ice cream category is showcasing change and inspiration every day. Let's take a look at the product introductions, top flavors and other attention-grabbers as we examine the world of ice cream.

BEYOND DESSERT

According to research from Mars Ice Cream (through an online survey via Harris Poll), consumers view ice cream as much more than just a dessert. It appeared across day parts and was thought of as a snack, not just an after-meal treat.

A Packaged Facts survey shows similar results. “Far more respondents eat ice cream as a snack rather than as a dessert, and they enjoy it throughout the day,” says David Sprinkle, research director. “More than half consider ice cream an evening snack, about one-quarter consume it as a late-night snack, and another one-quarter as an afternoon snack. Some even snack on ice cream in the morning. Of course, ice cream also serves as dessert, with nearly half eating it after dinner and 13% after lunch.”

- *18% of Americans eat ice cream on-the-go in their cars.*
- *48% of Millennials say “in bed watching TV” is where they choose to enjoy ice cream.*

FLAVORS

When looking at top flavors including blends, Chocolate, Vanilla and Strawberry rule the world of ice cream launches. In fact, chocolate-flavored ice cream launches increased 19% between 2013 and 2016, further solidifying its place at the top of the charts.

Other flavors in the global top 20 with increased appearances of note include Almond (+155%), Caramel & Sea Salt (+140%), Raspberry (+63%), and Pistachio (+45%). We also see that Almond & Chocolate launches tripled as non-dairy ice creams featuring almond milk gained popularity.

Chocolate is the top flavor in each of the top 10 countries for ice cream launches (except Canada where Vanilla took the lead) with Vanilla, Strawberry and Chocolate & Vanilla sorting into the second and third slots across the board with a few notable exceptions. In Italy, Coffee flavor is second and Vanilla third. Coffee is paired with Caramel, Chocolate, Cocoa, and Stracciatella flavors. In Brazil, Coconut takes second place with Strawberry third and Vanilla a far-off fourth place.

Flavors we saw in 2017 for the first time in the time period include:

- Frosted Cinnamon Bun
- Vanilla Mochi
- Bavarian Cream and Strawberry
- Honeycomb, Cocoa & Vanilla
- Orange Blossom

Top 10 Global Ice Cream Flavors

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|------------------------|---------------------|
| 1. Chocolate | 6. Coconut |
| 2. Vanilla | 7. Mango |
| 3. Strawberry | 8. Coffee |
| 4. Chocolate & Vanilla | 9. Tiramisu |
| 5. Caramel | 10. Cookies & Cream |



Asda Chunky Choc Lollies comprise chocolate flavored ice cream with a chocolate flavor center and coating with biscuit pieces. The lollies are said to have a seriously satisfying center and a crunchable chocolate coating. This product has no artificial colors, flavors or hydrogenated fat, and is suitable for vegetarians. UK September 2017



Häagen-Dazs Salted Caramel and Vanilla Caramel Almond Mini Ice Creams are caramel flavored ice cream with salted caramel sauce, salted butter caramel pieces and Belgian chocolate, and vanilla flavored ice cream with caramel sauce, grilled almonds and Belgian milk chocolate. This assortment contains no color or artificial flavoring. France September 2017



Maltesers Teasers Ice Cream Bars feature dairy ice cream with crisp, light, honeycombed, cocoa-coated centers covered with a cocoa coating. France June 2017



Jenis Super Orange Blossom Frozen Buttermilk Frozen Yogurt is made with juicy tangerine and orange flowers with tart cultured buttermilk and Seven Seas Farm organic yogurt from grass-grazed Ohio milk. US September 2017



Little Moons Vanilla Mochi Ice Cream is vanilla ice cream wrapped in a soft mochi (pounded sticky rice) and dusted with rice flour. These steamed, sweetened rice flour spheres feature a delightfully chewy outer and an indulgent vanilla ice cream center. Vegetarian, free from gluten, artificial flavorings, colors and preservatives. Made with whole Madagascan vanilla beans. UK March 2017

4 new ingredients seen in last 12 months include:

- Goji Berry Juice
- Yellow Wine
- Hemp Protein
- Carbonating Agent



Magnum Double Hazelnut Ice Cream is made with Rainforest Alliance certified cocoa and is described as hazelnut flavored ice cream with thick hazelnut sauce hidden between two Magnum classic chocolatey layers. The product retails in a recyclable pack. Australia September 2017



Provio Pistachio Ice Cream is made with fresh sheep's milk. Greece September 2017

Flavor Spotlight: Mascarpone

Mascarpone cheese is tied with Custard as the fastest growing flavor since Q4 2014, with 400% more incidents. It appears in products from Austria to Malaysia, paired with flavors such as Strawberries, Raspberries, Cherries, Espresso, Hazelnut, Stracciatella, Balsamic Fig, Pistachio and Chocolate. In the United States, we're most familiar with Mascarpone as a key ingredient in tiramisu.



Lotte Sweets Square Mascarpone Tiramisu Ice Cream Stick features a cocoa coating and a filling of thick Mascarpone ice cream and slightly bitter espresso sauce. Japan September 2017



Billa Mascarpone-Forest Fruits Ice Cream comprises a dairy ice cream with added mascarpone and 18% forest fruit sauce with 1% roasted pistachio pieces. Czech Republic August 2017

LAUNCHES

The ice cream industry squeaked out a 1.4% increase between 2013 and 2016, with 42 more products landing on shelves around the world. There were 2,381 new products tracked as of the end of September 2017.

Top 10 Countries for Launches

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|----|---------|-----|--------|
| 1. | US | 6. | Italy |
| 2. | Japan | 7. | Brazil |
| 3. | Germany | 8. | UK |
| 4. | Spain | 9. | Canada |
| 5. | France | 10. | India |

Looking at the top countries individually, we see that all except UK and India have launched fewer products over this time period. India had a tiny increase of 4 additional launches and the UK rose 22% from 109 to 133.



Morinaga Cookie Ice Cream Sandwiches are a new limited edition variety comprised of one salted butter cookie sandwich and one Belgian chocolate ice cream sandwich. Japan September 2017



London Dairy Premium Ice Cream with Caramel Biscuit comprises caramel ice cream blended with cinnamon spiked biscuits with swirl of rich caramel sauce. Also available in Fig Walnut flavor. India July 2017, imported from United Arab Emirates



Paul Hollywood Chocolate Pudding Ice Cream comprises creamy chocolate dairy ice cream with Belgian chocolate sauce, chewy brownie pieces and chocolate shavings. It is described as a chocolate delight and is suitable for vegetarians. UK July 2017

CLAIMS

Animal Well-Being

Ethical – Animal claim is top growing claim over the past year (+475% Q3 2016 – Q3 2017).

Happy herds and well cared-for animals may already be associated with better tasting milk and cream in the eyes of the consumer, so Mintel reports that the extra effort involved in ensuring dairy traceability and responsible husbandry could give brands a significant perceived taste advantage over rivals in the premium space.

As consumers increase focus on the treatment of the cows providing their milk, a new product that would assuage all worries of animal welfare while enjoying dairy products such as ice cream is emerging: Perfect Day no-cow dairy. Perfect Day removes cows from the dairy equation all together, creating milk using “proteins derived from fermented yeast” in a process not unlike brewing craft beer, reports Whitney Filloon of Eater. Perfect Day’s website promotes the product as “more nutritious, safe, and sustainable than factory-farmed dairy. And it tastes just like cow’s milk!” The company also claims their process to create cow-free dairy uses 98% less water, 91% less land, 65% less energy, and produces 84% less greenhouse gas emissions than factory farms.

Top 10 Claims

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|---|---|
| 1. Low/No/Reduced Allergen | 6. Social Media |
| 2. Kosher | 7. Premium |
| 3. Ethical – Environmentally Friendly Package | 8. Vegetarian |
| 4. Gluten Free | 9. Ethical – Environmentally Friendly Product |
| 5. No additives/Preservatives | 10. Ethical – Human |



Zendulgence Chocolate Raspberry Hemp Gelato is free of lactose, soy, gluten, dairy and animal cruelty. It contains 600mg of omega-3 per serving as well as protein, vitamins, minerals, fiber and low-glycemic agave sweetener. It is stated to be environmentally friendly because it is made from the seeds of hemp plants, which enrich the soil they grow in. This frozen dessert contains flavonoids and phytonutrients to help keep the body strong. Lists “lovingkindness” as an ingredient and gives a portion of profits to protect animals and nurture the planet.



Jeni's Cocoa Curry Coco Ice Cream is described as the milkiest chocolate ice cream, made with grass-grazed Ohio milk, blended with soft curry and toasted coconut flakes. Gluten free. US September 2017

HEALTH AND WELLNESS

Mintel's Ice Cream and Frozen Novelties report revealed that 19% of category users are now buying less frozen treats because they are unhealthy. Their research also shows this consumer behavior is evident among younger shoppers. This means ice cream brands need to find a balance between health and indulgence to remain attractive to these consumers.

One such way is by adding protein into the mix. High/Added Protein is the third fastest growing claim in the past year (+275% Q3 2016 – Q3 2017) with brands such as Halo Top and Arctic Zero gaining fans and Breyers joining the fray with their Delights line of low fat ice creams (260-330 calories and 20 grams of protein per pint).

Protein adds a level of permissibility and opens ice cream eating to more occasions, such as post workout, which without the protein angle would be about the last time you'd think to reach for ice cream.



Lohilo Banana Split High Protein Ice Cream is a creamy banana ice cream loaded with real bananas and finished off with a rich chocolate swirl. It is sweetened with natural sugars from grapes and lactitol, and is low in lactose, containing less than 1% lactose. The healthy snack is made using only natural ingredients and no unnecessary additives, and combines low levels of sugar and fat with high levels of protein, containing 23g, which makes it perfect for an afternoon or evening snack, or after a workout. Finland September 2017



Snow Monkey Cacao Superfood Ice Treat is free from gluten, dairy and GMO. It is claimed to contain more fiber than four bowls of oatmeal, more protein than three eggs with 20g per pint, and more iron than a 16 oz. tenderloin steak. It is described as nutritious, delicious, sustainable, vegan and paleo. It can be eaten for breakfast, for fuel and as an indulgence. US August 2017

INDULGENCE: BOOZY ICE CREAM

“When you think of something that can instantly improve any meal it accompanies, it’s a tie between ice cream and booze,” says Suzannah Weiss of Refinery29. And now consumers can enjoy them both as ice cream products that register a real ABV% find their way into stores and restaurants, giving treat-focused folks a double dose of indulgence.

First up, we see Häagen-Dazs launched a line of alcohol-infused ice cream in Canada this past summer in five flavors: Rum Vanilla Caramel Blondie, Whiskey Chocolate Truffle, Irish Cream Coffee & Biscotti, Vodka Key Lime Pie, and Rum Ginger Cookie.

Jude’s in Hampshire, England, teamed up with award-winning London gin distillery Sipsmith to create Gin & Tonic ice cream and also has Hot Toddy flavor in their line featuring Laphroaig Islay single malt scotch.

In Dallas, TX, two new boozy ice cream shops opened over the summer. Visit The Pharmacy and indulge in creations like a Banana Cream Pie milkshake, a blend of vanilla ice cream, rum and actual banana-cream pie. If you want to up the alcohol, you can order a shot on the side. This ice cream spot also makes alcoholic floats using Not Your Father’s Root Beer.

Ice Cream Wasted is an all-vegan, all-organic, by-reservation-only spot offering tastings of a rotating array of seasonal flavors, such as pineapple upside-down colada and key lime-a-rita. The owner, Bri Calloway, is an ice cream loving chemist who developed a proprietary method for infusing alcohol into ice cream. And for Halloween, she’s preparing a glow-in-the-dark ice cream.

In New York City, Melissa Tavss opened an “ice cream parlour” called Tippy Scoop where she churns artisanal, handmade ice cream with premium mixed cocktails, stouts & wines. Once called a “scoop sommelier” who practices “sweet spirits sorcery,” she uses local and seasonal ingredients like Brooklyn cold brew in her ice cream, which is 5% ABV, and comes in flavors like Cake Batter Vodka Martini, Salted Caramel Apple Brandy, Hot Buttered Rum and Raspberry Limoncello Sorbet.

(Tippy Scoop highlights how well this trend ties in with consumer interest in artisan ice creams and premium ingredients, which are the leading area of interest in ice cream innovation in Canada (44%).)

And if you happen to be in a Maryland liquor store you may see Arctic Buzz vodka ice cream that is 8.6%-8.9% ABV. Look for: Cookies and Cream, Key Lime Pie, Raspberry, Vanilla, Coconut, and Chocolate.

“We continue to see health and wellness as a trend. However, what’s really important for people is they can continue to treat themselves. Not only do people want healthy products, but they definitely want treats in their diet.”

-Matt Lloyd of Mars, *Confectionery News*



BLACK CONSUMERS & ICE CREAM

Product developers should take note of black consumers and their over-indexing consumption of ice cream and frozen treats. 91% of the 16 million Black households in the US have purchased ice cream or sherbet, according to the Mintel. They also eat ice cream more often than other demographics, with almost a quarter (24%) of black households eating eight or more quarts of ice cream or sherbet in the last 30 days, compared to just 9% of whites, 14% of Asian consumers and 16% of Hispanics.



CONCLUSION

Consumers consider ice cream a snack, not just an after-dinner dessert, so products that make on-the-go consumption easy could boost sales. But, flavor and ingredient quality are most important, with ethical claims gaining steam as the animals, humans, and resources used to create products continue to be important elements to consumers in this category and beyond. Black consumers are a demographic of note for product developers as they are the leading group of ice cream lovers in the US.

FONA CAN HELP!

From concept to manufacturing, we're here every step of the way. Contact our Sales Service Department at 630.578.8600 to request a flavor sample or visit www.fona.com.

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