Innovation gives new flavour to ice cream

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With maturity starting to hit developed markets and premiumisation expanding to emerging markets, innovation through the dual leveraging of flavour and health attributes seems to be the way the industry has chosen to maintain positive growth. Emerging regions lead growth

According to the latest research from Euromonitor International, global retail sales of ice cream reached US$59 billion in 2006, an increase of 4% on the previous year. Western Europe and North America represented the largest regions, accounting for 36% and 28% of total retail value sales respectively in 2006. However, emerging regions such as Eastern Europe and Latin America proved the most dynamic, with their retail value sales growing by 9% and 8% respectively in 2006.

Innovation through flavour and health is the result of several key factors, including maturity of demand, mounting consumer concern over dietary issues and growing competition from private label offerings within the grocery channel, although this last point applies primarily to developed markets.Premiumisation through flavour and health

With private label manufacturers increasingly focusing on traditionally flavoured ice cream, branded manufacturers are opting to increase differentiation of their premium products by introducing new lines featuring new flavour combinations as well as health-friendly properties.

This trend is currently known in the industry as the 'premiumisation of flavour and health' and is aimed at a more demanding consumer, who is willing to both experiment with new taste sensations and pay a premium for more sophisticated products. Interestingly, this trend is impacting developing countries in Eastern Europe and Asia as well, underpinned by the rapid expansion of middle-class consumers in urban areas.

Euromonitor International's research highlights the following trends driving such innovation in the ice cream segment in both 2007 and beyond:The introduction of Italian dessert-style ice creams is gradually expanding throughout Western Europe, and is a reflection of the increasing sophistication of consumer preferences. One of the most representative examples of this trend can be found in Spain. In March 2007, Spanish manufacturer Kalise Menorquina introduced a new tiramisu-style ice cream line targeting Spanish consumers willing to experiment with new flavours;Product segmentation by gender is not new, although ice cream manufacturers have maintained momentum in their new product developments by targeting a specific gender. NestlÃ©'s March 2007 introduction of Roxie in the Spanish market, a single-portion ice cream in pink packaging that targets teenage girls, is one example of this ongoing trend;Another key trend that has moved from the chocolate confectionery industry to ice cream is the development of new lines sourced from different single-origins. Magnum Aromas, introduced to the Spanish market by Unilever in March 2007, is one example of such a product. The new line is available in three types, Aroma CafÃ© Colombia, Dark Ecuador and Java Cocoa. Aroma CafÃ© Colombia includes Colombian coffee beans as one of its core ingredients, and offers a premium Colombian flavour targeted at coffee connoisseurs. Dark Ecuador and Java Cocoa both feature an outer chocolate layer made with cocoa beans sourced from Ecuador and Java respectively. The entire range targets an increasingly sophisticated consumer who is willing to pay a premium for new flavour experiences;The ongoing consumer health trend is currently contributing to the introduction of soy-based ice cream lines, especially in markets where consumers are already aware of the digestive and heart healthy properties of soy. One notable example of this trend is taking place in the French market, which recently saw the introduction of a soy-based ice cream line. The new line, launched by Cogesal-Miko SA in March 2007, is available in two flavours, cocoa and vanilla strawberry. It targets the health- conscious French consumer segment, especially women;Related to the health trend is the inclusion of yoghurt in ice cream formulations. This represents one of the key developments taking place in the industry in 2007, and is set to continue over the next few years. In early 2007, Russian ice cream manufacturer Inmarko OAO introduced San-Kremo Yoghurt Ice Cream. The new line is marketed as the first â€œcornettoâ€• style impulse ice cream topped with whipped cream and containing probiotic yoghurt. The new product offers all the health benefits that live bacteria have on the human digestive system, contains pieces of real fruit, and has an inner layer of chocolate that enhances the indulgence appeal of the product. This innovative combination of indulgent flavours with health properties is likely to succeed in the Russian market, as well as extending to other European countries;Euromonitor International's research highlights the merging of interesting and unique flavours with health-minded properties in a significant number of new product developments. One key example of this was the early 2007 introduction by the French ice cream manufacturer Cogesal-Miko SA of a new cherry and green tea flavour for its core Carte D'Or brand. Green tea and cherry represent an unusual flavour combination, and its exoticism is further enhanced by the healthy antioxidant properties of green tea;The development of low-calorie and low-fat formats is another dominant theme for innovation in the ice cream industry. Examples in 2007 include the introduction by Italian manufacturer Sanson Frulight of a fruit-based low-fat ice cream in its domestic market. The new line has only a 2% fat content and includes fruit pieces as one of its core ingredients. A similar development was launched the same year in Germany by NestlÃ© SchÃ¶ller, with the product featuring low-fat ice cream with yoghurt and large blackberry pieces as two of its core ingredients;Another interesting development taking place in 2007 was NestlÃ©'s launch of Kit Kat ice cream in Germany, a brand extension of its countline range. Kit Kat ice cream has an outer chocolate layer topped with a Kit Kat chocolate bar. The line extension is an example of how closely connected chocolate and ice cream are as indulgence products.

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