Sugar-free confectionery goes mainstream

Contributed by Euromonitor International
Tuesday, 20 June 2006
Last Updated Monday, 08 January 2007

Sugar-free confectionery is outperforming the sales growth of the total confectionery market, thanks to the development of new sweeteners and the backing of major brands, according to a new report from Euromonitor International â€“ â€œHealth and Wellness Food in the USâ€•.

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Between 2004-2005, reduced sugar confectionery grew by 6.1% in the US to reach US$3.3 billion. Over the same year, the total confectionery market grew at a much slower rate of 1.3%. While reduced sugar confectionery comprises only 13% of the confectionery market, its share of the total market has grown from nearly 11% in 2002.

Tastes like real sugar
While much of the success of sugar-free confectionery is down to the performance of established sectors, such as sugar-free gum and medicated confectionery, the development of new sugar substitutes, such as sucralose, is paving the way for a new wave of sugar-free products that taste more like real sugar. Consumers typically associate sugar-free confectionery with an unpleasant aftertaste, but with the help of new sophisticated sweeteners, manufacturers have been branching into sugar-free products, including sugar-free chocolate, that appeal to more and more Americans.

Major brands go sugar-free
The entry of major confectionery brands such as Russell Stover and Hershey to the sugar-free confectionery market has also helped attract a more mainstream audience and boost sales in the sector. Previously, diet confectionery was limited to smaller players targeting diabetics or health conscious consumers and was typically sold through health food stores or in the lesser-used aisles of the supermarket. However, the entry of well known brands has forced the distribution of diet products into mass market channels, which has in turn boosted their popularity. Americans now see sugar-free confectionery as a healthier alternative to confectionery, rather than just a regulatory product for diabetics.

Hershey Foods Corp, for example, has introduced sugar-free variations for many of its well known sugar and chocolate candy brands, which mimic the taste of sugar with the sweetener, lactitol. In 2005, the company added to its existing sugar-free range, which includes, sugar-free Reese's Peanut Butter Cups, York Peppermint Patties and Jolly Ranchers, with sugar-free White Reese's Cups, Twizzlers and Baking Chunks.

In addition to the success of Hershey's sugar-free line, Russell Stover introduced its own sugar-free line, including sugar-free jelly beans, sugar-free chocolate assortment boxes and even sugar-free caramels. The gourmet chocolate company, Godiva, also ventured into the sugar-free sector with products containing maltitol.

Outlook
Euromonitor International predicts that sugar-free products will record strong growth of nearly 5% per year, over the next five years. Not only are sugar-free products expected to benefit from wider distribution, but they will also benefit from a more durable health message than that of low carb products. Provided that major brands continue to move into the sector, improving product availability and selection, Euromonitor International expects sugar-free confectionery to establish itself as a mainstay in the US confectionery market.

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