



This year-round staple is on a roll, with sales increasing 11 percent during the past year thanks to innovations and health trends.

Hard Candy: A Growth Sector

THE HARD CANDY SECTOR, WHICH is growing fast, is getting a boost from health-oriented consumers seeking low-calorie, sugarfree options, which makes the segment accessible to a broad demographic.

Outpacing the overall non-chocolate market, hard candy dollar sales increased 11 percent during the past year, while unit sales were up 5.8 percent, compared with a 2.9 percent increase in dollar sales for non-chocolate and a 2.3 percent drop in unit sales during the same period.

The data, from NCA Sweet Insights marketplace reports, shows good news for retailers and confirms trends identified by suppliers. More importantly, hard candy manufacturing sources tell **Candy & Snack TODAY** that there are further developments in the wings, including new varieties and packaging options.

Meanwhile, examining the current arena, the key for retailers remains variety in flavors and colors, says Barry Sokol, executive vice-president of supplier Sorbee International, LLC. "If they're looking to grow their hard candy business, they can't just concentrate on the key core flavors. They definitely have to put more variety in so it opens it up to other consumers."

Supplier Atkinson Candy Co. President Eric Atkinson adds: "One of the critical things is and

always has been a good variety, you have a cacophony of colors and flavors for whatever the consumer's preference may be."

Richard Griseto, vice-president of sales and marketing for supplier Primrose Candy Co., says fruit flavors remain strong, while peppermint and buttercream also are top sellers. "Human beings are creatures of habit and I think if you eat a candy as a kid and you like the flavor, you're always going to like the flavor. We look to capitalize on that," Griseto explains.

"Pomegranate is definitely a big one," Sokol notes. "Flavors like chocolate are becoming a little bit more popular as well."

Further, his company has a number of licensed products that offer the same flavor profile as powdered drink mixes and which translate well into hard candy, Sokol claims.

Meanwhile, ginger has gained traction and is growing tremendously, claims Sandy Gencarelli, director of marketing and export sales at Hillside Candy LLC, who adds the company is rolling out a new ginger variety in coming months.

Primrose reports receiving orders for savory flavors as well as some that mimic trendy superfoods. Griseto explains: "It's a marketing tool that our customers are using but the real volume is still in old standards."

CONTINUED ON PAGE 51

'A lot of suppliers today are starting to work outside the box and starting to work on different ways of merchandising hard candy. Do you want to look at a theater box? Maybe a standup pouch?'

BARRY SOKOL
Sorbee International, LLC

CONTINUED FROM PAGE 50

Meanwhile, Liam Killeen, chief marketing officer for Ferrara Candy Co., Inc., says the company is actively developing extensions of its Brach's brand. "You can certainly look to the Ferrara Candy Co. to be very active in new products in the next six months," he says, but would not be drawn further.

Purchase Motivations Examined

The top reason consumers give for eating hard candy is that they like the taste, with 15.2 percent of eatings attributed to this reason, according to NCA Sweet Insights marketplace data. Additionally, 14.5 percent of eatings occurred because the consumer wanted something sweet, while 7.6 percent were because the consumer had a craving for hard candy.

Further, viewing hard candy as a reward or treat was cited as the reason for 7.3 percent of eatings, while 5.8 percent were because it is "fun to eat." Other reasons cited include hard candy's ready availability and ease of consumption.

The average U.S. consumer eats hard candy 41 times per year, or about three times a month. Meanwhile, 56 percent of hard candy is consumed in the home, while the bulk of away-from-home consumption occurs at work and during transit, Sweet Insights reveals.

Additionally, 74 percent of hard candy is eaten by adults — 28 percent by consumers ages 45 to 64, while those ages 18 to 44 consume 27 percent of hard candy. Meanwhile, Crystal Light licensed candies are trending among women ages 18 to 25, Sorbee's Sokol reports.

During recent years, two age groups saw increased consumption: teens ages 13 to 17 and adults older than 65, while overall adult consumption decreased 11 percent.

Meanwhile, with 11 percent of hard candy being purchased because the consumer wanted something to suck on (compared with two percent of

overall confections, according to Sweet Insights), suppliers are finding plenty of opportunities to cross-promote the sector.

For example, several suppliers reported receiving orders from medical personnel who provide the candy to patients to offset nausea or encourage saliva production.

In fact, hard candy can be marketed across many health-oriented niches, including vegan, gluten-free, organic, non-GMO, non-dairy, no trans fats, low-fat and cholesterol-free, depending on the variety.

"It's a measured bump of glucose, essentially, that you can give yourself periodically throughout the day to keep you going — and a little touch of happiness throughout the day," Atkinson says, adding the company's Gemstone line has seen a 33 percent sales lift during the past year.

Further, Hillside's GoNaturally line was crafted to meet consumer demand for candies free of preservatives, added colors, high-fructose corn syrup and other additives, while the GoLightly line is sugarfree, the company says.

Examining the sugarfree arena, it has become such an important subset that one supplier says he is thanking his lucky stars for the orders it provides. "Last year we had our biggest year ever, partly because of sugarfree," Primrose's Griseto claims.

The subset has grown dramatically during the past 20 years or so, owing to a number of factors, he says, citing as one example the low-carb Atkins Diet and adding: "I think we kept a percentage of that."

Additionally, manufacturing technology has improved so that sugarfree candy now tastes much like traditional varieties. He says: "There really isn't a big difference in flavor. It's a much better product now than it was 10 years ago."

Seasonal Spikes Provide Opportunity

However, hard candy isn't without its seasonal supporters, who tell Candy & Snack TODAY that retailers can find many opportunities to link the year-round staple with holidays and buying seasons, such as by matching candy colors with the symbolic colors of holidays.

"In the fourth quarter, peppermint is just huge," Primrose's Griseto explains. Additionally, he says: "We do a lot of specialty hard candies for gift packers, including chocolate peppermint and hot cocoa cinnamon. However, that's still relatively small in comparison to your regular peppermint starlight



mint that you could probably purchase in any retail venue you walk into nowadays."

Following the winter holiday season, sugarfree eucalyptus emerges as a popular flavor, Sorbee's Sokol reveals, adding: "In January, when people are thinking about dieting and eating healthier, that's a good time to do something on a cross-promotional basis."

Historically, the sector received a bump in the summer, suppliers agree. Grisetto says: "When I first got into the business, you would get a bump during the summer months because grocery would run candy carnivals with off-shelf displays. Hard candy got a good piece because chocolates are tough to ship in the summertime when it's hot."

Although that trend has declined, merchants still have opportunities to capitalize on hard candy's shelf life and temperature stability. Atkinson explains: "It's the candy of choice outdoors in the summertime."

Merchandising The Sector

Although hard candy often is an impulse purchase, it can be a challenge to merchandise at the front end because of competition with gum and chocolates, Sokol says. Instead, retailers can look to add secondary displays away from the candy aisle, he notes, citing as examples the pharmacy and produce sections, where displays may catch the eye of health-conscious shoppers.

Another option is bakery sets, to attract consumers shopping for parties and other family events, Killeen explains.

Although barrel and pick-a-mix displays have gone out of style for pragmatic reasons, suppliers urge retailers not to completely discount the option, citing visual and nostalgic appeal.

"Hard candy lends itself well to a bulk section," Sokol says, adding: "It enables people to really get some variety. They can get four or five of each, or a scoop of each, and really put together a great variety of hard candy."

Most hard candies end up presented in candy dishes in the home or office, Killeen says. "The bulk environment really gives a unique presentation to consumers where they can select what they think will please most folks," he says.

Further, bulk displays still provide "kid in a candy store" excitement for adults, Killeen says: "It's not that consumers like such displays less today. It's because it's become far more complicated for both retailers and manufacturers — but where it's done well, it has become a very exciting thing for consumers."

Within the primary candy sets, assortments should be merchandised to best leverage consumer impulse, Killeen explains: "Having a clean vertical set but combining brands horizontally helps consumers find the product they're looking for quickly but then find the brand that engages them the most."

He says: "We advise our customers to ensure they are presenting the most productive items on the shelf and are aware of the importance of having the optimal assortment for their stores."

"There's more incrementality for them in sales by focusing on assortment than by potentially doubling up or maintaining stock on shelf," Killeen adds.

'Retailers must focus on the quality, because that's what consumers will focus on.'

ERIC ATKINSON
Atkinson Candy Co.

Innovation Expected To Drive Sales

Looking forward, Sokol anticipates continued flavor innovation as well as more varied pack types for the sector. "We'll satisfy the traditional hard candy consumer who wants lemon, cherry, starlight mints, but in the future the growth has to come from innovative products," he says.

Both retailers and suppliers are looking for new options, Sokol says: "A lot of suppliers today are starting to work outside the box and starting to work on different ways of merchandising hard candy. Do you want to look at a theater box? Maybe a standup pouch?"

Hillside's Gencarelli, meanwhile, is forecasting continued growth in gluten-free, non-GMO and organic products, which further capitalize on health and all-natural trends.

As a segment, hard candy will continue to grow, Atkinson says. "Hard candy is there for all the right reasons. It's a low-fat candy, it tastes good, it lasts a long time, the price is right. There's a lot of good things about it."

Although sugar price competition remains a challenge for suppliers, focusing on quality will help drive sales, Atkinson says, adding: "Retailers must focus on the quality, because that's what consumers will focus on." **CST**

