

by A. Elizabeth Sloan

How Sweet It Is

The diversity of opportunities within the \$82 billion global sweetener category is unprecedented. With consumers' personal priorities ranging from cleaner labels and lower calories to simply wanting to enjoy their scratch-made favorite treat, a variety of unique sweeteners will continue to successfully coexist.

The COVID-19 pandemic has driven a return to indulgence and comfort, sending sales of ice cream up 29%, frozen novelties up 15%, and cookies up 10% for the year ended March 29, 2020, per IRI's *COVID-19 Impact Report* dated April 10. Just over half of U.S. consumers find sweet flavors extremely or very appealing, which is unchanged since 2017, according to Technomic's *2019 Flavor Consumer Trend Report*.

Pastries and muffins were among the top 10 categories posting the largest absolute dollar sales growth in 2019, according to Nielsen data. Cookies, bread, and cakes were the best-selling bakery items last year, according to the International Dairy Deli Bakery Association's *What's in Store 2020* report. Sweet snacks accounted for 38% of snack sales in 2019, contributing 9% of category growth, per IRI's *2020 Snacking as a Lifestyle* report.

Baked goods and confectionery are the fifth- and sixth-largest U.S. gourmet food categories, the Specialty Food Association reports. On a healthier note, in 2019 "permissibly indulgent" items accounted for 25% of sales in the snack category, per IRI's snack report.

Interest in sweet treats appears to be a global phenomenon. Sweet biscuits, bars, and fruit snacks are projected by Euromonitor to be the fastest-growing global functional food category products between 2019 and 2024. Globally, one in five consumers check labels for "only natural sweeteners," per Euromonitor's *2019 Global Health & Nutrition Survey*. And one-third

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of moms around the globe say they want all-natural sweeteners for their children's foods, according to Euromonitor.

More than half of U.S. adults are strongly (21%) or somewhat (32%) committed to avoiding sugar, according to the 2019 *Organic & Clean Label Food Shopper* report from Packaged Facts. And core clean label and organic consumers, who represent 21% and 25% of adults, respectively, are more than twice as likely to aggressively avoid sugar, per Packaged Facts. Clean label and organic consumers are also nearly twice as likely as the general population to view unrefined sweeteners such as honey as healthier than sugar.

Despite the popularity of sweetened products, 120 million Americans are trying to manage their weight, according to Mintel's *2019 Live Panel: Diet Trends and Fads*. One in five counts calories, according to Packaged Facts, with the percentage rising to 29% among

affluent consumers. Thus, it's not surprising that, according to the *2019 USA Trend Report* from HealthFocus, consumers are most concerned about calories when choosing sweetened foods, followed by use of natural sweeteners and taste.

One-third of U.S. adults use low-calorie or no-calorie sweeteners, according to the International Food Information

Council's *2019 Food and Health Survey*. Those aged 30–39 are most likely to say artificial sweeteners are a good way to reduce sugar, HealthFocus reports. In 2019, the use of all-natural non-nutritive sweeteners in new U.S. beverage launches surpassed the use of no-calorie artificial sweeteners for the first time, according to Mintel's *Sugar Reduction* report.

With whole food nutrition important to 82% of U.S. adults and 56% of adults interested in superfoods, per Datassential, natural sweetening extracts and syrups have strong marketplace potential. In descending order, consumers considered honey, fruit juices, maple syrup, agave, monk fruit, coconut palm sugar, and stevia the healthiest sweeteners in 2019, according to HealthFocus.

In addition, with consumers choosing foods with health benefits over clean, all-natural, or whole foods when eating healthfully last year, per FMI's *2019 U.S.*

Grocery Shopper Trends report, sweeteners that deliver proactive health benefits, such as prebiotics or low-glycemic options, will be cutting-edge. A new emphasis on emotional health, anxiety/stress, and mental acuity and an increasing demand for more energy will provide additional opportunities for sweetened products. Addressing sweetener concerns in health-oriented products such as meal replacements, children's foods, and sports nutrition/energy products should also be a priority for product developers.

Masking the taste of sweeteners with more intense flavors is a risky strategy because core wellness consumers will likely view these efforts as a smoke-screen to avoid sweetener scrutiny, according to the Hartman Group. Focusing on real is an overlooked opportunity. When buying indulgent bakery products, 50% of consumers look for real ingredients and 36% seek reduced-calorie or reduced-sugar products, per the American Bakers Association's *2019 Power of Bakery* report.

Using culinary narratives and sourcing claims, (e.g., grown in the USA and Fair Trade Certified) are other effective approaches to marketing sweetened products, as is formulating with gourmet or ethnic sugars such as demerara, an amber-colored cane sugar, or piloncillo, which is frequently used in Mexican cuisine. **FT**



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