



Passport

Sugar Confectionery in India

Euromonitor International

August 2022

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SUGAR CONFECTIONERY IN INDIA

KEY DATA FINDINGS

- Retail value sales rise by 8% in current terms in 2022 to INR109 billion
- Pastilles, gums, jellies and chews is the best performing category in 2022, with retail value sales increasing by 13% in current terms to INR15.0 billion
- Parle Products Pvt Ltd is the leading player in 2022, with a retail value share of 17%
- Retail sales are set to rise at a current value CAGR of 7% (2022 constant value CAGR of 2%) over the forecast period to INR155 billion

2022 DEVELOPMENTS

Increase in mobility to drive sales of sugar confectionery in 2022

The COVID-19 pandemic led to lockdowns and restrictions in 2020, which confined consumers to their homes. As a high proportion of sales was accounted for by impulse on-the-go consumption, this negatively affected retail volume sales in 2020. There was also a definite shift of sales towards e-commerce, as consumers preferred the safety and convenience associated with this channel. E-commerce therefore took share from impulse channels such as small local grocers. As the restrictions eased and people felt more comfortable stepping out of their homes, and mobility increased, retail sales of sugar confectionery witnessed an uptick in volume and current value terms in 2021, and further growth is expected in 2022.

The reopening of educational institutions and the return of children to school is the main factor driving sales, as children are the primary target group for sugar confectionery. Increased at-home consumption has reverted to out-of-home impulse consumption. Pastilles, gummies, jellies and chews is set to witness the fastest value growth amongst all sugar confectionery categories in 2022, as these are consumed by all age groups, unlike other large categories, such as boiled sweets. In addition, pastilles, gummies, jellies and chews come in fortified or immunity-boosting variants, which are also preferred by health-conscious consumers.

Demographics to play an important role in the growth of sugar confectionery

Sugar confectionery is essentially an impulse category in India, and the main consumers of such products continue to be young children. However, this has been changing in recent times, along with the launch of multiple flavours and formats. Sugar confectionery now has mass appeal, as consumers are from all age groups. Sugar confectionery remains the preferred choice for treats, as these products are generally sold in INR1, INR2 and INR5 formats, which makes for an affordable treat even for people in the low-income segment. Apart from the low price point, indulgence is also a major driver of sales of sugar confectionery. Consumers prefer sugar confectionery as a bite-sized dessert and also as an indulgent treat, as many people continue to work from home. This is in line with the evolving consumption habits of health-conscious consumers in terms of portion control. Indian consumers do not shy away from sugar confectionery, but are increasingly becoming aware of the sugar content. To tackle this issue without compromising on taste, portion control is something they are now looking at, which is driving sales of sugar confectionery.

Parle Products Pvt Ltd continues to lead sugar confectionery

Parle Products is expected to continue to lead sugar confectionery in value terms in 2022, riding on the back of its strong portfolio and wide distribution throughout the country. However, at the same time it faces strong competition from ITC, the second biggest player in sugar confectionery, and the only other player to hold a double-digit value share. Parle Products leveraged the distribution of its biscuits portfolio to maintain its resilience during the testing pandemic times. The company pushed sugar confectionery to biscuits distributors to drive sales. In recent times the company has also increased its geographical presence by expanding into rural areas and increased its rural penetration to drive sales.

PROSPECTS AND OPPORTUNITIES

Fortification and healthier variants to drive the growth of sugar confectionery

Consumers in India are increasingly becoming aware of the sugar content in the food products they consume. Sugar intake has become a major concern, as it is a main reason for obesity in India. According to Euromonitor's Health and Nutrition Survey on Reasons to Avoid Sugar, 58% of Indian consumers said avoiding sugar makes them feel healthier, while 57% said they avoid sugar for weight loss or weight management. Consumers are therefore increasingly demanding healthier snacks and reduced/no sugar variants. As a result, sugar confectionery continues to face strong competition from health-oriented categories. Manufacturers are responding to this demand by either fortifying their products or reducing the sugar content. For instance, manufacturers have looked to fortification with vitamins as consumers are looking for functional benefits. Perfetti Van Melle has launched lollipops and fruit jellies fortified with vitamin C. As consumers are becoming increasingly health-conscious, this is how manufacturers are choosing to differentiate themselves, by leveraging their health positioning.

Innovation and cross-formatting to keep consumers interested

Due to the ever-changing demands of consumers, who want something new and exciting in sugar confectionery, manufacturers need to continuously innovate and keep adding new flavours and formats to keep consumers interested. Manufacturers are therefore introducing newer formats and variants. For instance, Perfetti Van Melle has introduced tennis ball-shaped gum which have a crunchy sugar confectionery coating and a centre filling of pineapple. The company has introduced this product at a price point of INR2 to cater to the masses. Another brand, Chupa Chups, has leveraged innovation to cater to customers looking for a differentiated experience. It has introduced Chupa Chups Mix'Up, a dual colour, dual flavoured lollipop. The brand has also introduced a new product which takes inspiration from multiple categories, lollipops and bubble gum. Manufacturers will continue to rely on innovation and cross-formatting to differentiate themselves from the competition.

CATEGORY DATA

Table 1 Sales of Sugar Confectionery by Category: Volume 2017-2022

'000 tonnes	2017	2018	2019	2020	2021	2022
- Boiled Sweets	43.7	43.0	42.8	41.6	42.0	42.1

- Liquorice	-	-	-	-	-	-
- Lollipops	4.4	4.5	4.6	4.4	4.6	4.7
- Medicated Confectionery	12.0	12.1	12.2	12.3	12.5	12.7
- Mints	38.4	41.1	42.7	41.2	41.1	41.9
-- Power Mints	9.2	9.7	10.2	9.3	9.9	10.4
-- Standard Mints	29.2	31.4	32.5	31.9	31.3	31.5
- Pastilles, Gummies, Jellies and Chews	24.7	26.5	28.1	27.6	29.2	30.7
- Toffees, Caramels and Nougat	159.2	166.8	172.5	172.4	181.9	188.9
- Other Sugar Confectionery	-	-	-	-	-	-
Sugar Confectionery	282.4	294.0	302.9	299.7	311.4	321.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 2 Sales of Sugar Confectionery by Category: Value 2017-2022

INR million	2017	2018	2019	2020	2021	2022
- Boiled Sweets	12,701.8	13,248.8	13,966.2	14,425.2	15,454.2	16,628.7
- Liquorice	-	-	-	-	-	-
- Lollipops	1,467.7	1,601.6	1,744.6	1,767.3	1,921.1	2,067.1
- Medicated Confectionery	6,504.5	7,008.6	7,534.3	7,927.6	8,458.7	9,060.1
- Mints	8,902.0	9,842.5	10,556.6	10,572.7	10,915.8	11,686.7
-- Power Mints	1,991.6	2,099.1	2,203.4	1,982.1	2,109.6	2,299.3
-- Standard Mints	6,910.4	7,743.4	8,353.2	8,590.6	8,806.2	9,387.4
- Pastilles, Gummies, Jellies and Chews	8,596.0	9,910.3	11,278.0	11,751.7	13,250.7	14,953.1
- Toffees, Caramels and Nougat	39,300.9	42,579.0	45,462.0	46,855.6	50,928.2	55,007.5
- Other Sugar Confectionery	-	-	-	-	-	-
Sugar Confectionery	77,473.0	84,190.9	90,541.8	93,300.0	100,928.7	109,403.2

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 3 Sales of Sugar Confectionery by Category: % Volume Growth 2017-2022

% volume growth	2021/22	2017-22 CAGR	2017/22 Total
- Boiled Sweets	0.2	-0.7	-3.7
- Liquorice	-	-	-
- Lollipops	2.2	1.4	7.3
- Medicated Confectionery	1.2	1.2	6.0
- Mints	1.9	1.7	9.0
-- Power Mints	5.8	2.4	12.7
-- Standard Mints	0.6	1.5	7.8
- Pastilles, Gummies, Jellies and Chews	4.9	4.4	24.2
- Toffees, Caramels and Nougat	3.8	3.5	18.6
- Other Sugar Confectionery	-	-	-
Sugar Confectionery	3.1	2.6	13.6

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 4 Sales of Sugar Confectionery by Category: % Value Growth 2017-2022

% current value growth	2021/22	2017-22 CAGR	2017/22 Total
- Boiled Sweets	7.6	5.5	30.9
- Liquorice	-	-	-
- Lollipops	7.6	7.1	40.8
- Medicated Confectionery	7.1	6.9	39.3
- Mints	7.1	5.6	31.3
-- Power Mints	9.0	2.9	15.4
-- Standard Mints	6.6	6.3	35.8
- Pastilles, Gummies, Jellies and Chews	12.8	11.7	74.0
- Toffees, Caramels and Nougat	8.0	7.0	40.0
- Other Sugar Confectionery	-	-	-
Sugar Confectionery	8.4	7.1	41.2

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 5 Sales of Pastilles, Gummies, Jellies and Chews by Type: % Value 2017-2022

% retail value rsp	2017	2018	2019	2020	2021	2022
Gummies, Jellies and Chews	65.2	65.4	65.4	65.5	65.9	66.1
Pastilles	34.8	34.6	34.5	34.5	34.1	33.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 6 NBO Company Shares of Sugar Confectionery: % Value 2018-2022

% retail value rsp Company	2018	2019	2020	2021	2022
Parle Products Pvt Ltd	16.6	16.6	17.1	16.9	16.7
ITC Ltd	15.9	15.9	16.0	15.2	14.8
Mondelez India Foods Pvt Ltd	7.5	7.6	7.9	7.9	8.2
Perfetti Van Melle India Pvt Ltd	8.1	7.9	6.7	7.6	7.8
Mapro Foods Pvt Ltd	3.3	3.8	4.0	4.3	4.5
Procter & Gamble Hygiene & Health Care Ltd	4.0	3.9	4.0	3.9	3.9
Nestlé India Ltd	3.3	3.2	3.3	3.4	3.4
DS Group	5.0	2.3	2.2	2.4	2.5
Inbisco India Pvt Ltd	1.7	1.9	2.0	2.1	2.1
Lotte India Corp Ltd	2.5	2.2	2.0	1.8	1.7
Ferrero India Pvt Ltd	0.9	0.8	0.8	0.8	0.9
Ravalgaon Sugar Farms Ltd	0.9	0.9	0.9	0.9	0.9
Mala's Fruit Products	0.6	0.6	0.6	0.6	0.7
Plethico Pharmaceuticals Ltd	0.6	0.6	0.6	0.5	0.5

Dabur India Ltd	0.4	0.4	0.5	0.5	0.5
Wrigley India Pvt Ltd	0.3	0.3	0.3	0.3	0.3
Fabs International	0.2	0.2	0.2	0.2	0.2
Hershey India Pvt Ltd	0.1	0.1	0.1	0.1	0.1
PGT Healthcare	-	-	-	-	-
Others	28.2	30.8	30.8	30.4	30.3
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 7 LBN Brand Shares of Sugar Confectionery: % Value 2019-2022

% retail value rsp Brand (GBO)	Company (NBO)	2019	2020	2021	2022
Parle	Parle Products Pvt Ltd	11.0	11.3	11.2	11.0
Candyman (ITC Group)	ITC Ltd	11.0	11.1	10.5	10.2
Cadbury Choclairs (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	6.7	7.1	7.1	7.3
Alpenliebe (Perfetti Van Melle Group)	Perfetti Van Melle India Pvt Ltd	6.0	5.1	5.8	6.0
Kismi	Parle Products Pvt Ltd	4.6	4.8	4.8	4.8
Mint-O (ITC Group)	ITC Ltd	4.9	4.9	4.7	4.6
Falero	Mapro Foods Pvt Ltd	3.8	4.0	4.3	4.5
Vicks (Procter & Gamble Co, The)	Procter & Gamble Hygiene & Health Care Ltd	3.9	4.0	3.9	3.9
Eclairs (Nestlé SA)	Nestlé India Ltd	2.4	2.4	2.5	2.5
Pulse	DS Group	2.3	2.2	2.4	2.5
Kopiko (Mayora Indah Tbk PT)	Inbisco India Pvt Ltd	1.9	2.0	2.1	2.1
Londonderry (Parle Group)	Parle Products Pvt Ltd	0.9	1.0	1.0	1.0
Mentos (Perfetti Van Melle Group)	Perfetti Van Melle India Pvt Ltd	0.9	0.8	0.9	0.9
Coffy Bite (Lotte Group)	Lotte India Corp Ltd	1.2	1.1	1.0	0.9
Tic Tac (Ferrero & related parties)	Ferrero India Pvt Ltd	0.8	0.8	0.8	0.9
Polo (Nestlé SA)	Nestlé India Ltd	0.8	0.8	0.9	0.9
Halls (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	0.8	0.8	0.8	0.8
Coffee Break	Ravalgaon Sugar Farms Ltd	0.7	0.8	0.7	0.7
Froogle	Mala's Fruit Products	0.6	0.6	0.6	0.7
Chlor-Mint (Perfetti Van Melle Group)	Perfetti Van Melle India Pvt Ltd	0.7	0.6	0.6	0.6
Travisil	Plethico Pharmaceuticals Ltd	0.6	0.6	0.5	0.5
Dabur	Dabur India Ltd	0.4	0.5	0.5	0.5
Lacto King (Lotte Group)	Lotte India Corp Ltd	0.5	0.5	0.4	0.4
Fruit-tella (Perfetti Van Melle Group)	Perfetti Van Melle India Pvt Ltd	0.2	0.2	0.2	0.2
Frumato	Fabs International	0.2	0.2	0.2	0.2
Solano (Mars Inc)	Wrigley India Pvt Ltd	0.2	0.2	0.2	0.2
Ravalgaon	Ravalgaon Sugar Farms Ltd	0.2	0.2	0.2	0.2

Pim Pom (Mars Inc)	Wrigley India Pvt Ltd	0.1	0.1	0.1	0.1
Clorets (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	0.1	0.1	0.1	0.1
Nutrine (Hershey Co, The)	Hershey India Pvt Ltd	0.0	0.0	0.0	0.0
Others	Others	31.4	31.4	30.9	30.7
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 8 Distribution of Sugar Confectionery by Format: % Value 2017-2022

% retail value rsp	2017	2018	2019	2020	2021	2022
Retail Channels	100.0	100.0	100.0	100.0	100.0	100.0
- Retail Offline	99.8	99.8	99.7	99.5	99.3	99.2
-- Grocery Retailers	95.3	95.0	94.6	94.3	94.0	93.8
--- Convenience Retail	0.7	0.9	1.0	1.1	1.1	1.1
---- Convenience Stores	0.5	0.6	0.7	0.7	0.7	0.7
---- Forecourt Retailers	0.2	0.3	0.3	0.3	0.3	0.4
--- Supermarkets	3.2	3.3	3.4	3.6	3.7	3.7
--- Hypermarkets	3.4	3.8	4.3	4.7	4.9	4.9
--- Discounters	-	-	-	-	-	-
--- Warehouse Clubs	-	-	-	-	-	-
--- Food/drink/tobacco specialists	4.1	4.5	4.8	4.9	4.7	4.8
--- Small Local Grocers	83.8	82.5	81.1	80.0	79.6	79.4
-- Non-Grocery Retailers	4.5	4.8	5.2	5.2	5.3	5.3
--- General Merchandise Stores	-	-	-	-	-	-
--- Apparel and Footwear Specialists	-	-	-	-	-	-
--- Appliances and Electronics Specialists	-	-	-	-	-	-
--- Home Products Specialists	-	-	-	-	-	-
--- Health and Beauty Specialists	4.5	4.8	5.2	5.2	5.3	5.3
--- Leisure and Personal Goods Specialists	-	-	-	-	-	-
--- Other Non-Grocery Retailers	-	-	-	-	-	-
-- Vending	-	-	-	-	-	-
-- Direct Selling	-	-	-	-	-	-
- Retail E-Commerce	0.2	0.2	0.3	0.5	0.7	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 9 Forecast Sales of Sugar Confectionery by Category: Volume 2022-2027

'000 tonnes	2022	2023	2024	2025	2026	2027
- Boiled Sweets	42.1	41.6	41.3	40.7	39.9	38.8

- Liquorice	-	-	-	-	-	-
- Lollipops	4.7	4.7	4.8	4.9	5.0	5.0
- Medicated Confectionery	12.7	12.8	12.9	12.9	13.0	13.1
- Mints	41.9	42.6	43.1	43.7	44.2	44.7
-- Power Mints	10.4	10.9	11.3	11.7	12.2	12.6
-- Standard Mints	31.5	31.7	31.8	31.9	32.0	32.1
- Pastilles, Gummies, Jellies and Chews	30.7	32.5	34.1	35.6	36.8	38.0
- Toffees, Caramels and Nougat	188.9	194.0	200.6	208.5	217.3	226.6
- Other Sugar Confectionery	-	-	-	-	-	-
Sugar Confectionery	321.0	328.3	336.9	346.3	356.2	366.2

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 10 Forecast Sales of Sugar Confectionery by Category: Value 2022-2027

INR million	2022	2023	2024	2025	2026	2027
- Boiled Sweets	16,628.7	16,751.3	16,956.8	17,100.1	17,132.6	16,985.4
- Liquorice	-	-	-	-	-	-
- Lollipops	2,067.1	2,078.4	2,103.9	2,137.8	2,168.4	2,174.7
- Medicated Confectionery	9,060.1	9,075.9	9,127.0	9,221.6	9,318.6	9,370.6
- Mints	11,686.7	11,685.6	11,724.7	11,796.9	11,851.0	11,851.6
-- Power Mints	2,299.3	2,317.1	2,338.9	2,367.6	2,394.8	2,413.2
-- Standard Mints	9,387.4	9,368.5	9,385.7	9,429.3	9,456.2	9,438.4
- Pastilles, Gummies, Jellies and Chews	14,953.1	15,931.5	16,918.6	17,881.4	18,841.7	19,805.7
- Toffees, Caramels and Nougat	55,007.5	55,671.1	56,670.7	57,906.8	59,275.9	60,469.9
- Other Sugar Confectionery	-	-	-	-	-	-
Sugar Confectionery	109,403.2	111,193.8	113,501.6	116,044.5	118,588.2	120,658.1

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 11 Forecast Sales of Sugar Confectionery by Category: % Volume Growth 2022-2027

% volume growth	2022/23	2022-27 CAGR	2022/27 Total
- Boiled Sweets	-1.1	-1.6	-7.8
- Liquorice	-	-	-
- Lollipops	0.7	1.3	6.7
- Medicated Confectionery	0.9	0.6	3.3
- Mints	1.6	1.3	6.6
-- Power Mints	4.3	3.9	20.9
-- Standard Mints	0.8	0.4	1.9
- Pastilles, Gummies, Jellies and Chews	6.1	4.4	23.9
- Toffees, Caramels and Nougat	2.7	3.7	20.0
- Other Sugar Confectionery	-	-	-
Sugar Confectionery	2.3	2.7	14.1

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 12 Forecast Sales of Sugar Confectionery by Category: % Value Growth 2022-2027

% constant value growth	2022/2023	2022-27 CAGR	2022/27 Total
- Boiled Sweets	0.7	0.4	2.1
- Liquorice	-	-	-
- Lollipops	0.5	1.0	5.2
- Medicated Confectionery	0.2	0.7	3.4
- Mints	0.0	0.3	1.4
-- Power Mints	0.8	1.0	5.0
-- Standard Mints	-0.2	0.1	0.5
- Pastilles, Gummies, Jellies and Chews	6.5	5.8	32.5
- Toffees, Caramels and Nougat	1.2	1.9	9.9
- Other Sugar Confectionery	-	-	-
Sugar Confectionery	1.6	2.0	10.3

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources