Shopper Intelligence

The Monthly Focus: Frozen

Is snacking the next big opportunity for ice cream?

July 2024

Category Challenges in Context

As the infamous British summer gets into full swing most of us are hoping for a few of those hazy lazy days when Mr. Whippy vans chime their familiar tunes, and that ice cream moment becomes a quintessential part of our summer enjoyment.

As fleeting as the British summer is, so too can be shoppers' desire for ice cream. It's perhaps new occasions and formats which are the key to unlocking this further – Ice Cream snacking is fast becoming a key segment with The Grocer recently noting that 18% of all consumption is around snacking occasions (https://www.thegrocer.co.uk/ice-cream/ice-cream-trends-2024-a-cone-for-every-season/688437.article).

This plays out in stores as we see significant innovation in the category hit the freezer shelves, many of these NPDs leaning towards snacking and snack sized portions.

Well known luxury ice cream brands like Magnum, Haagan Dazs, Oreo, and Little Moons as well a plethora of private label brands have all been launching their bitesize offerings.

In this monthly focus we're looking at the shopper rationale behind these launches and examining what Ice Cream brands need to do if they are to tap into the snacking shopper mindset.

First let's ask the most obvious question. Is this really an opportunity, based on what shoppers tell us?

The simple answer is yes! Figure 1 shows that shoppers who tell us they bought ice cream for a snack on the go has almost doubled over the past 3 years.

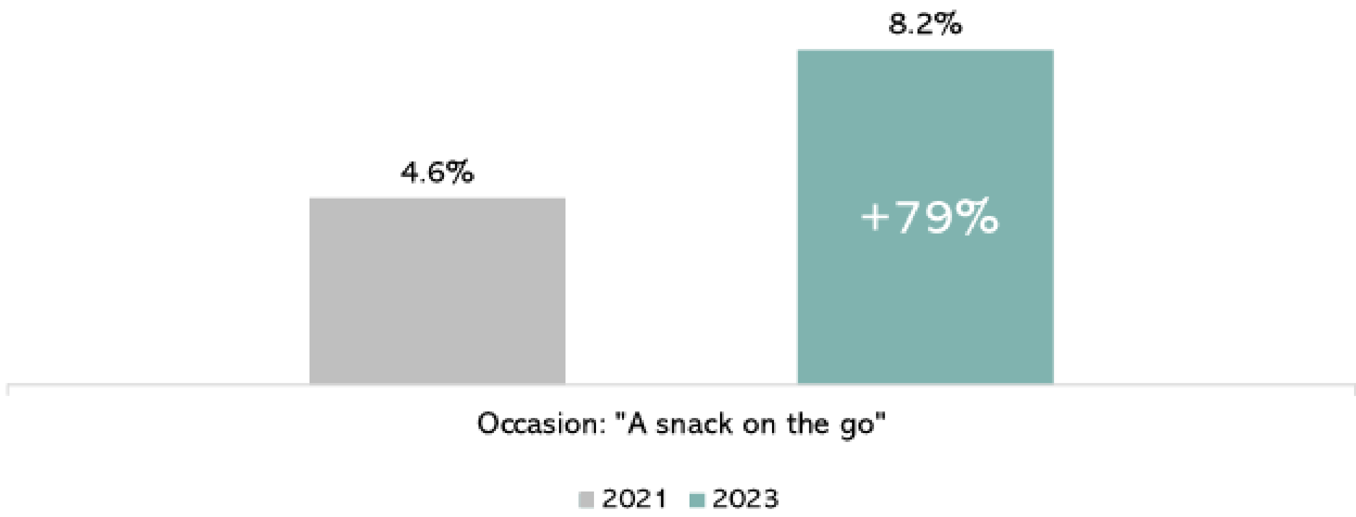

Figure 1 – % shoppers buying Ice Cream for snacking occasion

As we all know snacking categories are typically the most impulsive categories in the store. For example, over 38% of chocolate sharing bags shoppers make an impulsive purchase decision once in store. This number increases to nearly 50% of shoppers for single chocolate bars, making it one of the most impulsive grocery categories in the store!

If Ice Cream is to tap into the snacking occasion, then perhaps we need to hope it also compares favourably in terms of impulsivity – providing us with evidence of the need for impulse displays and theatre in the same way we see in-store execution in these other categories. 38% of Ice Cream shoppers make unplanned purchases, considerably more than we see for categories like Sweet Biscuits – this clearly points towards an opportunity to tempt shoppers once in-store. Figure 2 shows a comparison with selected other 'snacking' categories and certainly puts a favourable light on Ice Cream in doing so.

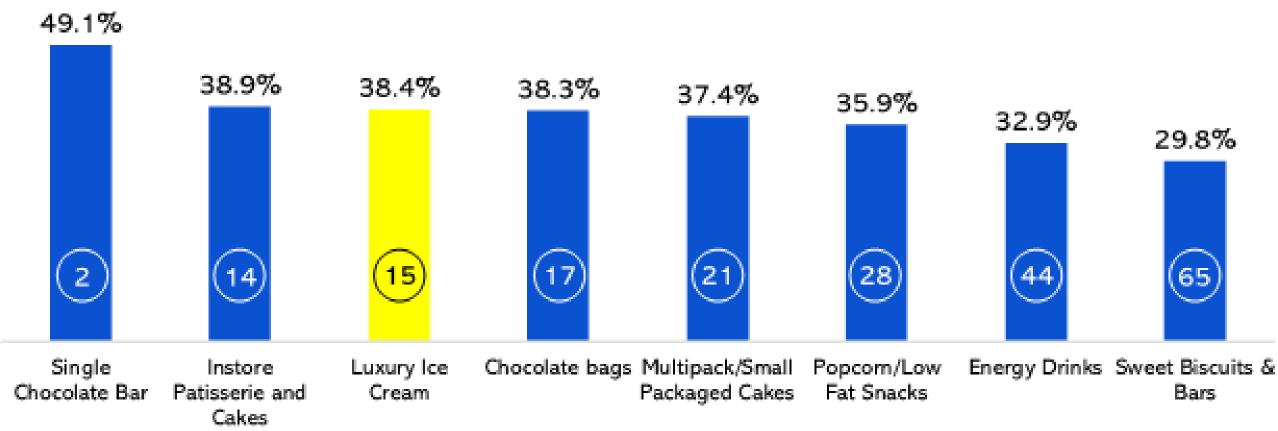

Figure 2 - % of unplanned purchases across select impulse categories (bubble indicates rank of 218 catego-

Now that we know Ice Cream shoppers are increasingly buying for snacking occasions and that they're doing so impulsively, it would be wise to take a step back perhaps and get a broader view of the 'snacking shopper' generally. Why do this? A broader view can help us to frame the potential opportunity moving forward and identify the strategies and tactics the Ice cream category might consider to further develop this growth opportunity.

As we think about ways we could drive growth we must remember that the key to this is one of two actions – we need to grow traffic to the category (more shoppers) and/or we need to grow the baskets across Ice Cream (more spend). Considering the latter, as this is typically more effective with impulse categories, Figure 3 shows that the 'snacking shopper' is much more likely to spend more due to promotions, innovation, premium and through temptation.

Figure 3 – Shopper agreement with spend driving statements, snacking shoppers vs. others

This kind of data begins to suggest some of the opportunities that might be open to both manufacturers and retailers – across aspects like range, merchandising and display. Strong agreement with a statement like "I often buy extra to try new and different" for example, suggests we need to prioritise innovation in Ice Cream snacking, perhaps creating a 'hero zone' within the fixture to help shoppers identify regular new choices. Whilst also using point of sale and theatre to drive visibility further and tap into the desire of the impulsive shopper that we know we have.

Sounds easy when you say it right? but what would really help is if we knew shoppers were engaged and actively looking to browse and spend time at the shelf too. Good news! The data also clearly shows this is typical of 'snacking shoppers' versus the average. They're significantly more likely to want to browse and over 30% more likely to be 'interested to look around'.

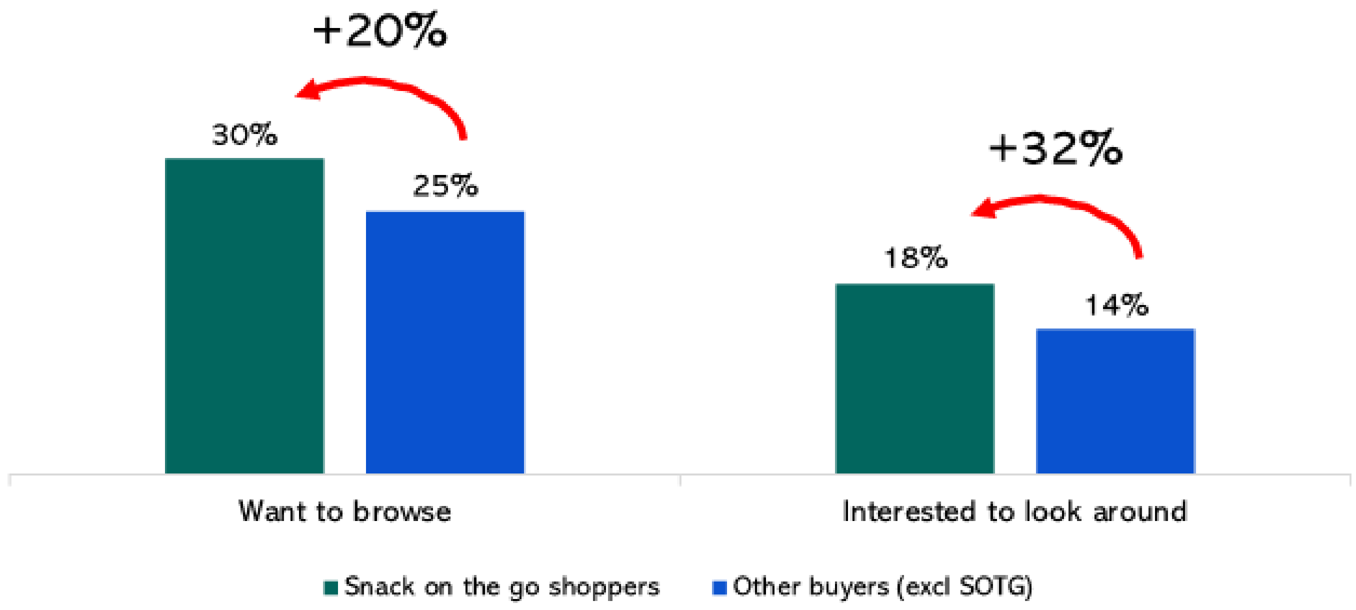

Figure 4 - % of shoppers browse/interested, snacking shopper vs average

So, the data clearly supports a strong case for more focus around snacking in Ice Cream, with engaged shoppers who are open and actively looking for some of the changes we might consider making.

The benefit of these types of comparisons and the metrics that underpin them should not be underestimated. It's only when we make comparisons and get a broader context that we truly see the real opportunity.

Enjoy the summer!