

Consumer trends and behaviors

Cloetta continuously monitors market trends at macro and micro levels through market research, category and trend reports, social listening, and various trackers. Keeping track of trends provides valuable information for us to feed into the development of new ideas and concepts.

Greater individualisation

Consumers increasingly wish to satisfy their individual needs. This means that they want the option of both choosing products, and also having access to products and services that are individualised and can be adapted to different occasions.

Cloetta's response

Pick & mix is a good example of a concept that is individualised, and a category in which we are a leading market player. The CandyKing-concept relaunch has made it a more relevant and appealing offering and has given consumers exciting new options on the pick & mix shelf, through exclusive collaboration with suppliers. Cloetta also consistently works on different packaging sizes and formats to cater for different occasion needs, such as The Jelly Bean Factory providing a range of different formats, spanning from smaller "grab and go" – sachets, to larger sharing & gift jars.

Responsibility for the environment and human rights

One of the key trends is the interest in the impact of food production on the environment and the social conditions of the producer. Suppliers have responded to consumer demand for information; above all in terms of the origins of raw materials, the farmers' working conditions, quality, and farming methods, by introducing different types of labelling and certifications.

Cloetta's response

During 2023, Cloetta continued driving several programmes within these areas that aim to make a real impact in the world. In partnership with the Rainforest Alliance, we contribute to The Living Income Fund that bridges the living income gap by making extra payments directly to cocoa farmers. Science Based Targets initiative (SBTi) approved Cloetta's targets to reduce direct and indirect carbon emissions by 46 per cent by 2030 compared to the base year of 2019. As an example of our commitment, we also calculated the climate footprint for a selection of our products, involving the first steps of more data collection and engagement with our suppliers.

Health

Consumers are increasingly looking for natural raw materials with positive health benefits. Additives of various types and artificially produced substances are being questioned in favour of natural ingredients. E-numbers are being replaced with the name of the additive in plain language. Natural sugar and natural sweeteners like xylitol and stevia are preferred to artificial sweeteners. Less sugar and fewer calories are another important aspect that consumers are demanding.

Cloetta's response

We are working to remove artificial flavourings and colourants from our assortment. They will be entirely replaced by natural fruit and plant extracts in our candy products. Cloetta provides alternatives in the form of sugar-free products, products with less sugar and products that are naturally free from sugar, giving consumers the opportunity to choose. We also use the natural sweetener xylitol in brands such as Jenkki, Mynthon and Läkerol Dent.

Local, genuine and transparent brands

Local brands with a strong history are favoured by consumers. This became even more apparent during the pandemic, when consumers reverted far more to traditional and familiar brands. Authenticity and transparency are key for brands to deliver in order to earn consumer trust.

Cloetta's response

In all core markets, we have some of the strongest local brands that consistently deliver joy and fun moments in consumers' daily lives. We continue to invest in local brands and develop them in accordance with consumer trends whilst ensuring they meet consumer expectations. To earn consumer trust and to truly deliver genuine brands, we work continuously to ensure all products meet high quality standards and provide clear and transparent information about the contents of the products on the packaging and our website.

Superior sensory experiences

With the increased exposure to social media platforms where consumers share consumption experiences, and the need for affordable escapism, consumers are seeking heightened sensory experiences from their food. This is driving companies to regularly launch exciting new flavours and textures.

Cloetta's response

With our strong brands acting as a trustworthy ambassador for novel taste sensations, 2023 brought exciting taste experiences to consumers. Red Band juicy bites launch in the Netherlands is one example, providing consumers with a very different texture and overall sensory experience compared to classical Red Band wine gums. Another example is Finland's most popular chocolate bar Tupla expanding into a Tupla Crispy Puffs bag that contains crispy and crunchy wheat puffs with the same cocoa nougat found in the original Tupla bars.

E-commerce and digital channels increasingly important

E-commerce is in general growing across all sectors, including the grocery retail trade, and growth was fueled further by the Covid-19 pandemic. Despite turbulent times in 2022 and 2023, grocery e-commerce is midterm expected to grow to a significant size in several key markets. Online sales in confectionery are still lower than for other consumer product categories, but have more than doubled in Cloetta's core markets compared to before the pandemic.

Cloetta's response

E-commerce is one of our key focus areas. Cloetta's e-commerce strategy is focused on growth through a dynamic channel that matches our strong offline shares in online trade. Online grocery market maturity differs depending on the markets. This means that Cloetta sets clear priorities for where and how to drive e-commerce including online content, e-trade marketing activation and dedicated online product development. We are constantly developing new marketing tools to get noticed and end up being the preferred brand in a shopping cart.