Executive Summary
Confectionery Sales Amid COVID-19: 2020
An in-depth look at confectionery shopping and consumption during the pandemic

Part 2 of a 3-part series exploring everyday, seasonal and confectionery shopper insights in a COVID-19 world
The National Confectioners Association is the trade organization that promotes the unique role of chocolate, candy, gum and mints in a happy, balanced lifestyle and the companies that make these special treats. Through advocacy and regulatory guidance, communications, industry insights, and retail and supply chain engagement, NCA helps create an environment that enables candy makers and confectionery retailers to thrive. As the leading association for the $36 billion U.S. confectionery industry, NCA works to ensure that chocolate and candy are celebrated for their contributions to culture, society, the economy and everyday moments of joy. Confections are produced in all 50 states, creating jobs for approximately 55,000 workers in more than 1,300 manufacturing facilities across the country. More than 600,000 jobs in agriculture, retail, transportation and other industries rely in part on the sale of confections for their livelihood. Learn more about at CandyUSA.com, or follow NCA on Facebook, Twitter and Instagram.

With access to top-notch sales and performance data and proprietary consumer research, NCA curates relevant content for its membership and retail customers, providing timely education, insights and analytics on the trends and disruptions likely to impact business. NCA’s Sweet Insights provide exclusive access to valuable domestic and global data, as well as analytics that explore in-depth seasonal and annual category performance, consumer attitudes and behavior, and business trends and disruptions.
Key Highlights

- Confectionery sales gains during the pandemic have been mixed. Between March 15 and September 6, referred to as the 26-week pandemic period throughout this study, chocolate sales gained 5.5 percent. Non-chocolate sales are strengthening as convenience store traffic is rebounding, for an overall pandemic gain of 1.6 percent. Gum and mint sales have been challenged as the pandemic uprooted many work, school and social routines.

- The grocery channel has been the main beneficiary of the pandemic channel shifting and its confectionery gains are far above average. Convenience store confectionery sales have been rising since July and August.

- The vast majority of people have consumed chocolate (92 percent) and non-chocolate (80 percent) during the pandemic. Around 10 percent of people reduced their candy consumption. They point to taking fewer grocery trips and trying to eat a little less of it with an eye on balance as the chief reasons for doing so.

- Fewer people have consumed gum or mints during the pandemic (64 percent, each), with social distancing lowering engagement. The top reason for consuming less is being around people less, including working from home, followed by eating out less.

- Nearly six in 10 shoppers changed up their candy purchases amid the pandemic, including buying different pack sizes (48 percent), different types (46 percent) and different brands (42 percent). This was driven by out-of-stocks, looking for better value, and changed routines, such as working from home, buying for different members of the household and more experimentation.

- Consumers bought confectionery in many fewer outlets. While grocery grew, alternative channels in particular, such as movie theaters, book stores or candy stores, were hit by the pandemic purchasing shifts.

- E-commerce leaped forward with 61 percent of consumers having purchased groceries online during the pandemic and 26 percent having purchased confectionery online. Closing the gap would be an important win for the confectionery industry, but 46 percent of shoppers agree that they are more likely to purchase candy when in store.

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Introduction

Confectionery has been an area of growth for the retail industry for many years and 2019 was no exception. With annual sales of $35.7 billion across many channels, confectionery is a powerful category. In 2019, dollar sales increased 2.4 percent, driven by robust sales gains in non-chocolate (+3.4 percent), chocolate (+2.2 percent) and gum (+1.2 percent). Confectionery enjoyed very high engagement in 2019, with household penetration of 98.8 percent, an average of 35 trips and an average spend of $5.52 per visit.

The pandemic fundamentally changed the growth trajectory of many departments in food retail, including confectionery. Most saw unprecedented spikes in sales mid March as shoppers prepared for shelter-in-place mandates. Retail sales continue to track well above 2019 levels six months into the pandemic. A few areas, such as bulk and self-serve bars, saw sales decline quickly as operations were closed down. Pre-packaged solutions were able to offset some of these declines.

The pandemic-driven changes in shopping, working and social routines prompted extraordinary change for the confectionery category as well. Shoppers bought different package sizes, brands, items and in different stores.

All the while, the virus controls the timeline and demand forecasting for holiday and everyday demand has become even more complex as retailers and manufacturers alike are navigating uncharted territories. This study aims to bring an understanding of consumer attitudes and behaviors relative to the consumption and purchasing of confectionery amid the pandemic.

Implications and considerations are called out throughout the study by the symbol shown to the right.

NCA finds that confectionery is an honest, affordable and transparent treat, from its fun and unique nature to its strong emotional and nostalgic connections. Consumers understand the unique role that confectionery can play in a happy, balanced lifestyle as a treat contributing to one's emotional well-being.

Most Americans enjoy chocolate and candy two to three times a week, averaging about 40 calories and just one teaspoon of added sugar per day.

Retail measurement and household panel data overlay are provided by insights firm IRI For questions or comments, please contact Dan Sadler at:

daniel.sadler@iriworldwide.com
Methodology and Study Definitions

Methodology
Shopper data was collected using an online survey, conducted September 2020 with a national sample of 1,556 U.S. shoppers between the ages of 18 and 75. The margin of error associated with the survey is 2.4% at the 95% confidence level. Percentages may not always add up to 100% due to rounding.

Definitions

Generations
- Generation Z: ages 18 to 23
- Young Millennials: ages 24 to 29
- Older Millennials: ages 30 to 39
- Generation X: ages 40 to 55
- Young Boomers: ages 56 to 66
- Older Boomers: ages 67 to 73
- Matures: Ages 74 to 75
- Millennials: ages 24 to 39
- Boomers: ages 56 to 73

Annual household income
- Lower-income households: <$45,000
- Medium-income households: $45,000-$75,000
- Higher-income households: $75,000-$125,000
- Affluent households: >$125,000

Parents
All households with children ages 0-18 living at home. Children are divided into three age groups:
- Young children: ages 0-6
- Tweens: ages 7-12
- Teens: ages 13-18

Consumption frequency
- Below-average frequency: Every few weeks at the most
- Average frequency: Once a week
- Above-average frequency: Daily or every few days