

9/16/24

## Category Research

Ice Cream Category

### Major Competitors:

1. Ben & Jerry's: known for its unique flavors and marketing strategies based on social causes. Strong presence in the U.S. and Europe.
2. Häagen-Dazs: positioned as a premium brand with high-quality ingredients. Global distribution with a focus on gourmet experiences.
3. Tillamook: known for its quality, using natural ingredients and no artificial additives.
4. Talenti: specializes in gelato, perceived as a more artisanal and healthy product. Strong emphasis on the quality of ingredients.
5. Magnum: a premium brand focused on chocolate-covered ice cream bars. Known for its luxurious and indulgent advertising campaigns.
6. Halo Top: focused on low-calorie ice creams, aimed at the health-conscious consumer segment.

### Major Issues:

1. Ice cream **demand is highly seasonal**, with sales peaking during the warmer months. This creates fluctuations in revenue.
2. Consumers are increasingly focused on **health and wellness**, demanding low-fat, low-sugar, and vegan ice cream options. Most of the population prefers healthier desserts and ice cream<sup>1</sup>. Additionally, there is growing demand for natural or **organic ingredients**, which further increases production costs. Organic products are usually more expensive<sup>2</sup>.
3. Growing demand for products with less sugar, lactose-free, vegan, or low-calorie options (Halo Top, Arctic Zero).

---

<sup>1</sup> "Factors Driving the Demand for Healthier Ice Cream." *Food & Beverage Asia*,

<https://foodbeverageasia.com/embracing-the-health-conscious-consumer-the-rise-and-potential-of-low-calorie-ice-cream-production/#:~:text=Factors%20driving%20the%20demand%20for%20healthier%20ice%20cream&text=Growing%20lactose%20intolerance%20has%20bolstered,CAGR%20from%202022%20to%202030>. Accessed 16 Sept. 2024.

<sup>2</sup> "FAQ: Why Is Organic Food More Expensive Than Conventional Food?" *FAO*, <https://www.fao.org/organicag/oa-faq/oa-faq5/en/>. Accessed 16 Sept. 2024.

4. Another issue facing the ice cream industry is **rising ingredient costs**. Ingredients of ice cream are increasing due to supply chain issues and higher demand. This ultimately increases the cost of production<sup>3</sup>.
5. Another issue in the ice cream industry is that ice cream is a **luxury and not a necessity**. In an effort to be precautious in this economy, customers are tightening their belts, leading them to pass on items they don't need<sup>4</sup>.
6. Increasing pressure for brands to use **sustainable packaging** and reduce their carbon footprint. Premium brands like Ben & Jerry's have focused on sustainable practices, while others have yet to fully adopt this trend.<sup>5</sup>
7. Competition from **alternative** snacks and desserts: non-traditional ice creams, like mochi (ice cream wrapped in rice dough) or plant-based frozen products, are gaining popularity and taking market share<sup>6</sup>.
8. **Growing competition from private label products**: supermarket brands like Walmart's Great Value and Costco's Kirkland Signature are gaining market share by offering ice cream at lower prices. These private labels are increasingly seen as high-quality alternatives to traditional brands, creating pricing pressure and reducing consumer loyalty to established brands<sup>7</sup>.

## Sales Figures

1. With \$951 million in sales, Ben & Jerry's was the leader of the ice cream market in 2023<sup>8</sup>.
2. In 2023 Häagen-Dazs was in second place with \$801.6 million.
3. In 2023, Tillamook recorded sales of \$324 million.
4. Sales for Talenti were \$208.5 million in 2023.
5. Magnum had a 57.9% increase in USG in 2022 compared to 2021<sup>9</sup>.

---

<sup>3</sup> "Challenges Facing the Frozen Dessert Industry Today." *ADI Sales and Service*, <https://electrofreezeohio.com/4-challenges-facing-the-frozen-dessert-industry-today/>. Accessed 16 Sept. 2024.

<sup>4</sup> "Best-Selling Ice Cream Brands U.S. 2023." *Statista*, 18 Apr. 2024, <https://proxy.parisic.edu:8293/statistics/190426/top-ice-cream-brands-in-the-united-states/>. Accessed 16 Sept. 2024.

<sup>5</sup> "Sustainability Challenges in the Ice Cream Industry," 2022, <https://www.sustainablebrands.com/sustainability-challenges-ice-cream-2022>. Accessed 22 Sept. 2024

<sup>6</sup> "Ice Cream Alternatives and Market Competition," 2023, <https://www.mintel.com/ice-cream-alternatives-2023>. Accessed 22 Sept. 2024

<sup>7</sup> Mintel, "The Evolution of Private Label Ice Cream," 2023, <https://www.mintel.com/evolution-private-label-ice-cream>. Accessed 22 Sept. 2024

<sup>8</sup> "Best-Selling Ice Cream Brands U.S. 2023." *Statista*, 18 Apr. 2024,

<https://www.statista.com/statistics/190426/top-ice-cream-brands-in-the-united-states/#:~:text=in%202023%2C%20Ben%20%26%20Jerry's%20was,products%20made%20even%20more%20sales>. Accessed 22 Sept. 2024.

<sup>9</sup> *Annual Report and Accounts 2022*. Unilever, 2022, <https://www.unilever.com/files/92ui5eqz/production/0daddecec3fdde4d47d907689fe19e040aab9c58.pdf>. Accessed 18 Sept. 2024.

6. Part of Unilever's portfolio, with global annual sales of over \$2.5 billion.
7. Halo Top: U.S. sales dropped to \$300 million in 2022 after a previous surge<sup>10</sup>.
8. In certain regions, consumers are increasingly turning to plant-based ice creams, while traditional dairy ice cream remains dominant in others, especially in rural areas<sup>11</sup>.

**Useful references in Business Source Complete:**

- [Barnes Reports: NAICS 31152: Ice Cream & Frozen Dessert Mfg.](#)
- [Consumer preferences for locally processed foods.](#)
- [Ice cream as functional food: A review of health-promoting ingredients in the frozen dairy products.](#)
- [Unilever Said to Start Sale Talks for £15 Billion Ice Cream Unit.](#)
- [Private-label Marketing in the Ice-cream Industry.](#)
- [Our Favorite Supermarket Ice Creams.](#)

---

<sup>10</sup> Nielsen, "U.S. Ice Cream Market Report," 2023, <https://www.nielsen.com/us-ice-cream-market-report-2023> Accessed 22 Sept. 2024

<sup>11</sup> Innova Market Insights, "Ice Cream Market Trends," 2023, <https://www.innovamarketinsights.com/trends/ice-cream-market/> Accessed 22 Sept. 2024