

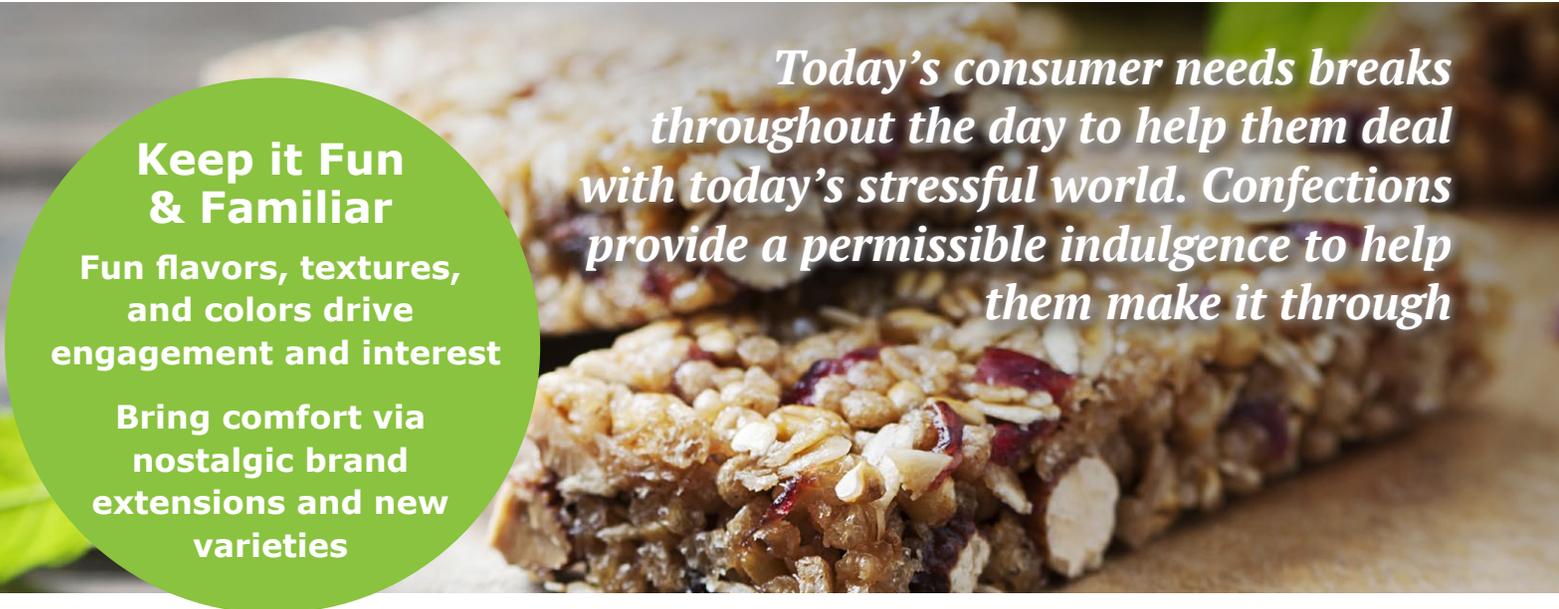


# Confectionery: Enjoyment Plus Benefits

April Confectionery sales were down due to fewer social gatherings and reduced traffic at Convenience Stores related to COVID stay-at-home orders. This caused Confectionery sales to lag behind total F&B.

Yet, candy can help provide moments of escape, which is critical in today's environment. Familiar, nostalgic brands provide needed comfort.

Consumers are also looking for additional benefits to make them feel even better about eating confections, like low sugar, low calories, and nutritional ingredients, in a addition to great taste.



*Today's consumer needs breaks throughout the day to help them deal with today's stressful world. Confections provide a permissible indulgence to help them make it through*

### Keep it Fun & Familiar

Fun flavors, textures, and colors drive engagement and interest

Bring comfort via nostalgic brand extensions and new varieties

## Category Dynamics & Performance

Category Performance During COVID-19



Source: IRI: US P4WE 6/21/20

— Confectionery — F&B

From the start of the Covid-19 outbreak, total food and beverage has outperformed confectionery

Recently, the gap has closed, assisted by C-Store candy sales normalizing as the economy reopened

Category/Subcategory	Retail \$ Sales %CYA
Total F&B	+13%
Candy	+1.0%

Source: IRI: US P4WE 6/21/20

## Implications

### Still Impulse Driven

- **Convenience outlets** are vital to the success of this impulse-driven category.
- As convenience traffic and sales flattened, overall retail sales followed suit
- Reasonable confection pricing in the current economy is necessary for success

### Chocolate Indulgence

- Capitalize on chocolate's legacy as a vehicle to a rich, delicious experience
- With the stress in today's world, chocolate can provide a chance to relax with its soothing, smooth textures and flavors
- Plus it up by adding functional ingredients that are associated with health benefits, including probiotics, antioxidants, etc