

## Confectionery & Desserts

July 14, 2011

### INTRODUCTION

Individually packaged products are catching attention.

Although large sizes were the mainstream of the imported snacks, it is starting to shift to smaller individual packages and personal sizes. It fulfills the needs of consumers who want to try a certain flavor for a reasonable price, and many people purchase the smaller sizes before the larger ones as a trial.



In 2010, many well known brands sold individually packaged products that could be purchased with a little over 100 yen. Many agencies are more likely to sell individually packaged products, and these products are estimated to become even more popular amongst mass retailers.

Individually packaged products are being sold at stores that sell imported foods, high quality super markets, department stores, as well as convenience stores, and variety shops, expanding different types of customers.

These products are placed near the cashier so that it would be easier to take.

Large bags with small individual packages are also on the increase, and more people want personal sized products.

According to the customs clearance record of imported snacks in 2010, the quantity rose 10% from the previous year, and there was a 3% increase on value base. Although there are effects of weather, chocolate and biscuit (sweetened) are making a great advance on both quantity and value from 2009.

Due to the price increase of ingredients, there are worries that the prices of cacao and wheat would soar.

**Import Volume of Major Snacks in 2010**

|                         | 2,010         |       |                |       |
|-------------------------|---------------|-------|----------------|-------|
|                         | quantity (kg) | Y/Y   | price(1000yen) | Y/Y   |
| Chewing gum             | 381,413       | △ 9.3 | 146,988        | △ 4.8 |
| Candy/caramel           | 10,947,610    | △ 0.5 | 5,679,958      | △ 5.1 |
| Chocolate snacks        | 20,801,774    | 7.4   | 16,461,988     | 1.6   |
| Cookie/biscuite/cracker | 19,357,985    | 17.3  | 7,138,068      | 6.4   |
| Waffle/pie/cake         | 49,500,499    | 10.9  | 13,955,634     | 6.8   |
| Total                   | 100,989,281   | 10.0  | 43,382,636     | 3.0   |

Sources: Prepared by Ministry of Finance "Import Customs Statistics."

Below are the top 20 most favored snacks and desserts by Japanese from high to low in order.

Ice cream, chocolate, pudding, cheese cake, short cake, yogurt, daifuku (rice cake stuffed with sweet red bean filling), rice crackers, sakura mochi and kashiwa mochi (types of rice cakes), ohagi (rice cake covered with sweet red bean paste), eclair and cream puffs, dango (rice cake on a stick), castella, imagawayaki and taiyaki (cake filled with red bean paste), potato chips, montblanc, donuts, dorayaki (red bean pancake), pancakes, manju (pounded rice cake filled with red bean paste). Ice cream and chocolate that ranked 1st and 2nd are liked by people of all ages and gender.

### Most Favored Snacks, Deserts

|        | Ages 16~29 | Ages 30~59 | Ages over 60 |
|--------|------------|------------|--------------|
| Male   | Pudding    | Ice cream  | Daifuku      |
| Female | Cheesecake | Chocolate  | Ohagi        |

Sources: NHK Broadcasting Culture Research Institute.

For the younger people, the top 10 favored snacks and desserts were mostly Western snacks, while the daifuku placed 1st for older men, and ohagi placed 1st for older women. This shows how Japanese snacks and desserts are favored by older people.



Last year, Lotte Co., Ltd. from Japan made a new stick shaped chocolate product that could be eaten without dirtying your hands and created a sensation. This is because they have met the needs of the consumers of eating chocolate without getting their hands dirty. When you take the chocolate out from the box, the wrapping comes off except from where you are holding, and it could be eaten easily without getting your hands dirty. To stir up the demand, price appeal, raising awareness becomes important. As seen "Charlotte Eye", it is very important for the customers to recognize the creation of a new, original product, along with the tastiness of the snack, the excitement, and its price value.