

Ice Cream in Austria

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ICE CREAM IN AUSTRIA

HEADLINES

- Ice cream declines by 1% in retail current value and volume terms to reach sales of EUR274 million and 47 million litres in 2010.
- Despite high temperatures in 2010 and many new product developments, consumers cut back on ice cream consumption to reach or maintain their desired weight.
- Ice cream parlours sees the highest current value growth of less than 1% to reach sales of EUR39 million in 2010.
- Major promotional activities lead to a slight unit price decrease, to EUR5.90/litre in 2010.
- Eskimo Iglo GmbH leads ice cream with a 35% value share in 2009, followed by Unilever Austria GmbH with 19%, both of which belong to Unilever Group.
- Ice cream is expected to see a negative constant value CAGR of 1% to reach sales of EUR255 million in 2015, while volume sales are expected to stagnate at 46 million litres.

TRENDS

- The high temperatures in summer 2010 did not stop ice cream from declining by 1% in retail current value and volume terms to reach sales of EUR274 million and 47 million litres. With the important health trend and consumers increasingly considering their bodies as major piece of art, they were more likely to control their desire for ice cream to make sure they looked their best at the lakeside or pool.
- The 1% current value decline in 2010 was a decrease of more than one percentage point compared with the review period CAGR, when there was still positive growth. In volume terms, the slightly positive CAGR in the review period turned negative in 2010. What might have been the hottest summer in the review period actually encouraged consumers to watch their figures even more, as they were tanning at lakes and pools.
- If consumers decided to indulge in ice cream and break their strict dieting patterns, they were ready to consume high quality types of ice cream at ice cream parlours. Therefore, ice cream parlours experienced the highest current value growth of less than 1% to reach sales of EUR39 million in 2010. The only ice cream parlour chain remained Häagen-Dazs with some two outlets.
- Major promotional activities which offered bulk discounts and discounts for samples led to a unit price decrease to EUR5.90/litre in 2010. At the same time, pressure from private label manufacturers strengthened, which further led to a decrease in unit prices. Billa AG offers a wide range of ice cream under the labels Clever and Ja! Natürlich, and introduces different types of ice cream each year.
- Vanilla, strawberry and chocolate remained the most popular flavours in 2010, followed by lemon, stracciatella, nut, coffee, peach, banana and raspberry. Rather than changing flavours, consumers increasingly had the chance to experience different treats in their ice cream, including bits of cookies and brownies, chocolate fudge, and different types of nuts and pieces of fruit.
- The highest proportion of ice cream, 38% in 2010, was distributed through supermarkets/hypermarkets, and more than 14% was sold through discounters. A further breakdown of ice cream provides a more complete picture. Whilst two-thirds of take-home ice cream was distributed through supermarkets/hypermarkets and almost a quarter through discounters, almost 12% of impulse ice cream was sold by other grocery retailers.
- As the pressure to look good and eat healthily is increasing, consumers are trying to consume alternative snacks to ice cream. Apart from fresh fruit, consumers like fruit bars or cold functional drinks, which are usually lower in calories and sugar.

COMPETITIVE LANDSCAPE

- Two companies owned by Unilever Group dominated ice cream with a combined 54% value share in 2009; Eskimo Iglo GmbH with a 35% share, and Unilever Austria GmbH with a 19% share. Unilever Group enjoys the highest brand loyalty, apart from smaller artisanal manufacturers. The most successful Unilever Group brands in 2009 were Cremissimo, Magnum, Eskimo, Solero, Cornetto and Viennetta.
- Nestlé Österreich GmbH saw the biggest increase in value sales in 2009, with its brands Nestlé Schöller and Mövenpick. Amongst the many innovations in 2009/2010 were Mövenpick yoghurt-forest berries and Mystère nut praline. The design of Schöller Cono strawberry, hazelnut and vanilla was reinvented. Other innovations were Schöller Pirulo Cool Strawberry – strawberry ice cream with 15.5% fruit, and Schöller Manhattan Cup Sunny Orange – orange ice cream.
- Whilst the international GBO Unilever Group held a 54% value share in 2009, domestic artisanal producers accounted for a 9% value share. Even though the bulk of artisanal ice cream is produced in Austria, most is marketed as Italian-style ice cream. This is because consumers tend to believe that Italian ice cream is the original and best type of ice cream in the world.
- Other key new launches in 2009/2010 included Häagen-Dazs' limited edition ice cream mascarpone passion fruit and truffles. At the end of 2009, Eskimo Iglo GmbH introduced a product which broke the stereotype that ice cream is only consumed in the summer. The winter ice cream 1001 nights joined truffles and almond ice cream with cherry-cinnamon sauce and chocolate. In addition, several Cremissimo products were launched, including 10% more volume, as a product promotion in times of economic uncertainty.
- In mid-2009, the introduction of Magnum Temptation Fruit was accompanied by a very popular television spot. The first Magnum Temptation ice cream was introduced earlier in 2008. Whilst Magnum Temptation was advertised featuring the popular Desperate Housewives actress Eva Longoria Parker, Magnum Temptation Fruit had the actor enjoying this sumptuous ice cream in a noble setting with dresses from the 17th Century.
- In 2010, Eskimo Iglo GmbH introduced Mini Croc for the youngest consumers. The product is only available in a multi-pack with 16 units in the flavours strawberry, orange, lemon and pineapple. The most distinctive feature of this product is that the box looks like a crocodile, and the packaging is actually opened by opening the crocodile's mouth, which is yet another way of attracting younger consumers.