

## Frozen Novelties On Fire

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**Sales are up even from last year when record numbers of consumers “discovered” new favorites in the novelties set.**

After lapping last year’s pandemic-fueled buying surge, most categories are showing declines versus the same period a year ago. Indeed, ice cream sales are down 16.0% during the 12 weeks ended May 16 to \$1.57 billion, according to Chicago-based market research firm IRI

([iriworldwide.com](http://iriworldwide.com)). However, the frozen novelties category continues to grow, registering a 1.3% gain (to \$1.42 billion) during the most recent quarter. And when you compare those sales to the same period two years ago, the segment is up a whopping 34.1%. The ice cream category is also way ahead, up 9.2% versus the same 12-week period in 2019.

Manufacturers attribute novelties' success primarily to their snackability. "Americans like to snack, and while they were at home during the pandemic, novelties satisfied that need more conveniently than bulk ice cream. It's as simple as that," says Russ Williams, vp of brand management and sales for Wellesley, Mass.-based Little Something Foods, maker of Mad Minis ([madminifoods.com](http://madminifoods.com)), a line of "no junk" mini ice cream sandwiches.

"COVID-19 drove people to the novelties section that don't normally buy there, and they discovered new favorites that they will be slow to move away from," adds Steve Crane, national accounts manager at Richmond, Utah-based Casper's Ice Cream ([caspersicecream.com](http://caspersicecream.com)), which produces the FatBoy, Jolly Llama and Churn Baby lineups. There may be some leveling off, he continues, but after 15 months, shopping patterns have changed, perhaps for good. As a result, "I think most of the gains in novelties are here to stay."

## A TALE OF TWO SEGMENTS

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Crane says much of the growth is happening at the two ends of the health and wellness spectrum: indulgent and better-for-you. "People either want to continue to treat themselves or they're looking to get back into shape and lose the extra pounds they put on while quarantining," he explains. On the indulgent side, Casper's Churn Baby Cookie Cups and boutique-style Sandwiches are seeing "a surge of interest," thanks to the richness of the ice cream and a higher percentage of inclusions. As a result, the company is relaunching its FatBoy Stick Sundae Bars in a smaller 2.5-ounce size and new paddle shape that offers more surface area for chocolate, nuts and toffee. "So the serving size is smaller and the calorie count lower — for portion control — but it's also more indulgent with a higher chocolate/inclusions-to-ice cream ratio," says Crane.

The folks at Blue Bunny ([bluebunny.com](http://bluebunny.com)), part of the Wells Enterprises portfolio, are jumping on the more indulgent trend as well. The Le Mars, Iowa-based company recently expanded its Load'd collection with a line of Bars that boast "two times the mix-ins" and "ooey-goey" swirls and pieces in every bite. Available flavors include Bunny Tracks, Super Fudge Brownie, Strawberry Shortcake, Salted Caramel and Cookie Dough. The manufacturer also reformulated its Load'd Cones lineup, now featuring even more mix-ins and a decadent whipped topping. In addition, it added two new flavors to its Load'd Sundaes collection: Caramel Fudge Brownie and Cake Obsession.

Another indulgent new novelty comes from Englewood Cliffs, N.J.-based Unilever, which recently added Ice Cream Truffle Bars to its Magnum ([magnumicecream.com](http://magnumicecream.com)) lineup. Inspired by chocolate truffles, the collection includes Double Chocolate Vanilla Truffle Bars, Mini Dark Chocolate Truffle Bars and Mini Berry Truffle Bars, the latter two of which highlight a continued trend toward smaller sizes, including bite-size items.

Other indulgent new novelties from Unilever include a new Wake Me Up Coffee flavor of Klondike Donuts, a “mashup” that delivers favorite donut flavors in frozen novelty form, and Klondike Cones, which feature a chocolate-lined wafer cone filled with a creamy sauce core surrounded by ice cream. Two-flavor multi-packs include Classic Chocolate & Nuts for Vanilla, Vanilla Chillin’ & Unicorn Dreamin’, and Classic Chocolate & Double Down Chocolate.

## NEW FORMATS BRING EXCITEMENT

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Alden's Organic's new dairy- and gluten-free Ice Cream Bars help fill a gap in the plant-based novelties segment where organic options are scarce.

Unilever also adds a third flavor, Sit Back & Strawberry, to its new Klondike Shakes in a Pouch lineup. Inspired by classic diner milkshakes, the unique new format comes in a “one-of-a-kind” spill-proof pouch with built-in straw. Consumers just remove one from the freezer, shake, twist and “chill out” in as fast as 3 to 5 minutes.

Another brand new frozen novelty format comes from Casper, which is rolling out DIY frozen desserts under its FatBoy ([fatboyicecream.com](http://fatboyicecream.com)) label that allows consumers to create a restaurant-style treat at home in 90 seconds. Each Frozookie kit includes a brownie or blondie, an ice cream puck and packets of caramel and chocolate to drizzle over the top. Aimed at the indulgent segment, “It’s a decadent dessert that’s quick and easy to put together for today’s hurry-up society,” says Crane.

He also cites demand for more indulgent options in the pints segment, prompting the company to develop a new line of 28-ounce “double pints” under the FatBoy Platinum brand. Offered in six high butterfat flavors featuring a high percentage of inclusions, the collection will debut in 2022.

‘Non-dairy already makes up a third of the natural ice cream segment.’

Meanwhile, Tillamook County, Ore.-based Tillamook County Creamery Association ([tillamook.com](http://tillamook.com)) just rolled out a new line of frozen custard pints billed as its “richest and creamiest frozen offering yet.” Made with at least 16% butterfat, extra cream and cage-free eggs, the collection includes eight flavors: Oregon Strawberry Shortcake, Chocolate Fudgy Brownie, Sea Salt & Honeycomb Toffee, Bing Cherry Cheesecake, Cold Brew Chocolate Chip, Dark Chocolate & Red Raspberry, Maple & Candied Pecan, and Salted Caramel.

Other manufacturers are expanding their pint lineups with even more indulgent flavors. For example, reports Peter Seibenik, director of sales for United Dairy Farmers, the Cincinnati-based company recently added three new varieties to its 16-ounce Homemade ([homemadebrand.com](http://homemadebrand.com)) collection: Decadent Dark Chocolate, Coffee and Chocolate Cherry Cordial, the latter of which also taps into the spirits-inspired flavor trend popularized by Häagen-Dazs and others.

Manufacturers say exotic, ethnic flavors that allow homebound consumers to travel with their tastebuds are also gaining ground. For example, Los Angeles-based My/Mochi ([mymochi.com](http://mymochi.com)), is rolling out three globally inspired flavors of its mochi ice cream: Coconut, Horchata and Guava. “These new flavors offer the textural explosion of flavor that all pandemic-fatigued consumers are (wander)lusting after,” says My/Mochi CEO Craig Berger.

Also trending: nostalgic flavors inspired by favourite childhood treats, evidenced by four new additions to Unilever’s Talenti ([talentigelato.com](http://talentigelato.com)) Layers collection: Confetti Cookie, Strawberry Shortcake, Cookies and Cream, and Chocolate Pretzel. The company also added two new flavors, Honey Graham and Peanut Butter Vanilla Swirl, to its core gelato lineup.

The nostalgia movement is also cropping up in the ice pop novelties segment where some iconic brands are expanding their offerings. For example, Unilever adds a Mango, Strawberry & Vanilla Swirl flavor to its Popsicle ([popsicle.com](http://popsicle.com)) Fruit Twisters collection. And Pennsauken, N.J.-based J&J Snack Foods just launched three new flavors of its ICEE ([icee.com](http://icee.com)) Tubes: Red Cherry Ice Cream Float, Blue Raspberry Ice Cream Float and Mermaid & Baby Narwhal, all 80 calories or less, gluten-free and made without high fructose corn syrup.

## **BETTER-FOR-YOU BOASTS BROAD APPEAL**

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J&J Snacks expands its iconic ICEE lineup with three new Freeze Tubes.

Despite all the new indulgent offerings, the better-for-you segment is equally hot. Everything from keto and paleo to plant-based and gluten-free is doing well, says Crane, who admits some surprise at the success of products he considered niche. “But I’ve discovered that there are a lot of people who aren’t necessarily following, say, a keto diet but still like the idea of eating a little healthier by cutting out some carbs,” he explains. Same thing in the dairy-free segment where flexitarians just looking to incorporate a few more plant-based options are driving strong growth.

Dairy-free ice cream represents only about 5% of total category sales currently, “But we feel there is much upside potential,” says Seibenik. After watching the non-dairy milk segment grow 61% during the past five years, giving it about 15% of total milk sales today, the company decided to enter the non-dairy ice cream category last year with seven flavors of its Homemade brand. It added three more this past spring: Chunky Panda, Coconut Dream Chip and Strawberry Lemongrass. “Nineteen percent of Americans say they’re consuming less dairy for health reasons,” says Seibenick. “And non-dairy already makes up a third of the ‘natural’ ice cream segment. So we think this trend has legs.”

Another new addition to the plant-based segment comes from New York-based Kind Healthy Snacks ([kindsnacks.com](http://kindsnacks.com)), which followed up last year’s rollout of Kind Frozen Treat Bars with seven Kind Frozen Pints. Each offers 4 to 6 grams of plant protein per serving and is

made with simple, wholesome, ingredients, according to the company.

San Francisco-based Forager Project ([foragerproject.com](http://foragerproject.com)) is also entering the plant-based pints category with a dairy-, soy and gluten-free collection that's certified organic as well. Made from ethically sourced cashews, the line helps fill a gap in the plant-based segment for organic options. Available flavors include Vanilla, Chocolate, Cookies & Cream, Mint Chip and Salted Caramel.

Alden's Organic ([aldensicecream.com](http://aldensicecream.com)), Eugene, Ore., is targeting that same niche on the novelties side with its new dairy- and gluten-free Organic Ice Cream Bars. The frozen desserts come in three flavors inspired by classic beverages: Dairy-Free Strawberry Lemonade, Dairy-Free Horchata, and Gluten-Free Root Beer Float. The company says its most nostalgic items, including Old School Vanilla Ice Cream Sandwiches and Classic Fudge Bars, saw 50% growth in 2020, and it expects consumer cravings for comfort flavors to extend well into 2021.

While Alden's new bars are either dairy-free or gluten-free, Casper's new Jolly Llama ([jollyllama.com](http://jollyllama.com)) Cones (Vanilla Fudge and Caramel Chocolate Chip) are both, says Crane, who believes they're the only such cones currently on the market. Consumer response has been so strong, he continues, that the company plans to add two new cone varieties next year.

On the ice pops side, meanwhile, Austin, Texas-based Good Pops ([goodpops.com](http://goodpops.com)), is expanding its dairy- and gluten-free collection of "cleaned up classics" with Organic Twin Pops. A better-for-you version of a nostalgic treat, the pops come in Sweet Cherry, Valencia Orange and Concord Grape flavors, all made with 100% fruit juice and no added sugar.

Another company jumping on the no-sugar trend, Boise, Idaho-based Killer Creamery ([killercreamery.com](http://killercreamery.com)), just rolled out two "first-of-their-kind" zero-sugar ice cream sandwiches (Chocolate and Vanilla). Gluten-free, keto-friendly Killer Sammies contain 2 to 3 grams of net carbs and 5 gram of protein per serving, says the company.

## ICE CREAM AND FROZEN NOVELTIES

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Sales in supermarkets, drugstores, mass merchants, military commissaries and select club and dollar stores combined for the 12 weeks ended May 16, according to Chicago-based market research firm IRI ([iriworldwide.com](http://iriworldwide.com)). Percent change is versus the same period a year ago. Only subcategories and brands with at least \$5 million in sales during the period are listed.

# ICE CREAM & FROZEN NOVELTIES

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CATEGORY	\$ SALES	% CHG	UNIT SALES	% CHG	VOLUME	% CHG
<b>ICE CREAM/SHERBET</b>	<b>\$1,571,595,158</b>	<b>-16.0</b>	<b>402,442,487</b>	<b>-13.8</b>	<b>988,358,400</b>	<b>-18.7</b>
<b>ICE CREAM</b>	<b>\$1,379,659,764</b>	<b>-16.8</b>	<b>352,730,756</b>	<b>-14.5</b>	<b>878,345,012</b>	<b>-19.3</b>
Private Label	\$265,588,342	-19.6	86,095,388	-17.3	295,113,445	-19.3
Ben & Jerry's	\$167,514,933	-1.4	39,244,005	1.2	39,127,926	0.9
Häagen-Dazs	\$142,109,483	-5.9	33,776,944	-2.3	32,533,545	-3.1
Blue Bell	\$127,704,085	-25.5	25,615,480	-22.8	73,677,689	-25.0
Breyers	\$101,398,903	-24.8	25,070,153	-22.2	74,093,702	-21.7
Turkey Hill	\$56,064,362	-34.3	16,696,873	-36.1	50,074,725	-36.2
Tillamook	\$46,939,969	-5.3	9,455,317	-6.6	28,105,164	-18.2
Talenti	\$45,220,667	-10.5	10,949,746	-8.9	10,989,828	-8.9
Dreyer's/Edy's Grand	\$42,710,947	-20.1	11,942,188	-11.8	32,887,420	-12.3
Blue Bunny	\$36,859,762	-22.5	9,036,113	-20.0	26,295,377	-19.9
<b>FZ YOGURT/TOFU</b>	<b>\$82,024,762</b>	<b>-5.7</b>	<b>18,387,919</b>	<b>-5.3</b>	<b>32,312,990</b>	<b>-8.9</b>
Ben & Jerry's	\$20,831,165	-2.7	4,412,163	-0.3	4,412,163	-0.3
So Delicious	\$17,108,053	-9.0	3,368,624	-9.2	3,416,241	-9.5
Private Label	\$14,179,355	-5.4	3,854,443	-5.8	11,178,266	-12.0
Kemps	\$7,344,646	-9.7	1,778,677	-9.1	5,388,952	-9.4
<b>ICE MILK/FZ DAIRY DESSERT</b>	<b>\$61,490,662</b>	<b>-16.3</b>	<b>16,185,807</b>	<b>-15.3</b>	<b>44,629,623</b>	<b>-18.8</b>
Breyers	\$39,950,006	-23.3	10,077,815	-20.9	29,861,026	-21.2
Halo Top	\$7,415,836	66.1	1,785,686	75.9	1,785,686	75.9
<b>SHERBET/SORBET/ICES</b>	<b>\$48,419,970</b>	<b>-5.1</b>	<b>15,138,004</b>	<b>-5.0</b>	<b>33,070,775</b>	<b>-9.2</b>
Private Label	\$19,518,354	-8.9	7,215,608	-8.2	19,666,655	-10.4
Talenti	\$10,035,171	7.5	2,412,822	8.5	2,412,822	8.5
<b>FZ NOVELTIES</b>	<b>\$1,422,352,827</b>	<b>1.3</b>	<b>349,955,670</b>	<b>-0.5</b>	<b>544,869,531</b>	<b>-3.9</b>
<b>NOVELTIES</b>	<b>\$1,290,325,922</b>	<b>0.8</b>	<b>323,545,213</b>	<b>-0.4</b>	<b>447,709,996</b>	<b>-4.0</b>
Private Label	\$149,285,062	-8.9	45,144,805	-8.4	97,636,949	-8.6
Nestlé Drumstick	\$126,369,425	1.5	20,523,705	-1.0	38,551,985	-1.1
Outshine	\$102,072,976	13.4	23,086,079	10.3	24,200,144	12.1
Klondike	\$74,541,723	-16.0	18,314,070	-22.9	28,494,120	-23.9
Häagen-Dazs	\$62,383,652	13.3	18,547,939	12.3	10,197,631	16.7
Popsicle	\$56,090,030	-3.5	13,617,985	-5.7	22,100,553	-6.6
Yasso	\$45,690,794	46.3	9,294,266	44.0	7,915,924	36.9
Blue Bunny	\$43,779,655	1.7	11,825,089	-3.3	12,305,526	2.0
Blue Bell	\$41,301,478	-10.8	7,821,745	-11.9	16,271,795	-14.2
Nestlé	\$37,521,339	-12.3	8,901,793	-10.8	9,928,458	-16.9
<b>ICE CREAM/ICE MILK DESSERTS</b>	<b>\$80,169,619</b>	<b>12.4</b>	<b>4,537,574</b>	<b>14.2</b>	<b>14,229,095</b>	<b>10.6</b>
Other Rich Products	\$50,966,074	7.8	2,767,369	7.1	9,247,488	6.9
All Friendly's Ice Cream	\$10,594,584	25.7	683,154	22.6	2,232,879	19.5
Private Label	\$8,962,731	28.1	471,413	32.2	1,231,287	18.5
Jon Donaire	\$5,348,121	4.3	277,048	-1.3	763,652	4.3
<b>ICE POP NOVELTIES</b>	<b>\$51,857,286</b>	<b>-1.3</b>	<b>21,872,884</b>	<b>-4.6</b>	<b>82,930,441</b>	<b>-5.3</b>
Fun Pops	\$18,507,236	-14.5	7,161,085	-14.6	38,154,692	-14.2
Private Label	\$6,921,054	-12.2	2,320,482	-16.4	13,579,712	-13.2

## KEEPING THE MOMENTUM GOING

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While it's easy to be complacent when a category is on fire, says Williams of Little Something Foods, "Now is the time to look at duplication and replace underperforming items with those that deliver either incremental category sales and/or offer trade up opportunities (more dollars per sale than lower-quality options)."

Crane agrees. "I'd move to consolidate some doors of bulk ice cream in order to expand the pint doors and also make room for more brands and varieties of novelties." He also suggests retailers make sure their assortments include enough lifestyle products — plant-based, keto, paleo, etc. "Both lifestyle and indulgent products are great because they lift average dollar rings."

Crane is also bullish on endcaps and displays that encourage impulse buys since novelties aren't always on the shopping list, while Williams is a big proponent of LTO and seasonal flavors that help create buzz. ■