

Confectionery & Desserts

November 8, 2012

IMPORTED CONFECTIONARY

~UP IN VOLUME AND VALUE FOR 2 CONSECUTIVE YEARS~

The import customs statistics of confectionaries in 2011 rose 9.8% in volume and 6.3% in value, both exceeding the previous year for 2 years in a row. The numbers shifted steadily during the first half of 2012, and both value and volume are about the same as last year. Chocolate and biscuits, which have a high distribution ratio, rose in both volume and value. Same as last year, the appreciation of yen caused a drop in the unit price, but it also caused polarization to proceed. As for chocolate, relatively inexpensive products mainly from the EU countries are on the rise, and revitalization and expanding demand for business use during the valentine sales battle is the recent trend. As for biscuits, the import volume from China and Asian countries increased and the needs are concentrating on price appeal products.

As shown in the table below, both volume and value rose year on year by 8.5% and 12% respectively during the first half of this year. Distribution went smoothly as stores actively chose products of small portions, limited products for seasonal events (valentines, Christmas, Halloween etc.), and price appeal products. Comparing with few years ago, organic imported confectionary is increasing, and many confectionary importers said, "It is important to link with trends such as beauty and health."

Import Volume and Value of Confectionaries for 2012 January-July

(Unit: tons, million yen)

Type	Volume	Year on year	Value	Year on year
Chewing gum	149	119.00%	72.7	127.00%
Candy	7427.1	114.10%	3567.8	103.60%
Caramel	29.5	37.30%	40.6	86.20%
Chocolate	12722.3	130.70%	8590.3	123.60%
Sweet biscuit	10.7	161.70%	15.1	120.50%
Waffle, wafers	1214.8	126.60%	559	127.30%
Biscuit (sugar added)	10886.5	92.30%	4052	99.90%
Biscuit (sugar free)	1567.4	120.90%	528.3	121.10%
Other baked confectionary (sugar added)	15517.6	99.80%	5092.9	110.80%
Other baked confectionary (sugar free)	15558.3	111.00%	3897.5	108.10%
Total	65083.1	108.50%	26416.2	112.00%

Source: Ministry of Finance "Import Customs Statistics"

Imported confectionaries are most available at retail stores in urban central areas, and the differences between selling products and non-selling products are becoming clearer.

While large content types are popular in local cities, smaller portions and individually wrapped products are more popular in inner-city areas. This reflects the difference in household composition and eating scenes, as well as the difference in value of imported confectionary that each generation seeks for. A nationwide food specialty chain-store manager commented, "We are currently dealing in finished products, but we also want to involve ourselves with product planning stage. In other words, we want to start from the beginning of choosing the ingredients and work together to create a product suited for the Japanese market."

Outlook for imported confectionary

Proposing "value" that only imported confectionary can make out would become the key in the future. Since the fashionability is valued for imported confectionary, it is possible to make an approach from different angles towards the consumer's life style, sometimes going beyond and above the product frame. According to a confectionary import agent, "a survey revealed that over 60% of the consumers reused the container." This means that there are many consumers who take in imported confectionary as part of their lives. Imported confectionary gives people "satisfaction" and sense of "specialness" that continues from choosing the product at the store to after you have finished eating the product.

One of the supporters of "Gourmet Beauty Promotion" for Foodex Japan said to the effect that products favored by women are "ones where every minute you spend is a wonderful time. In addition to that, it must give an incentive that urges you to tell somebody else unconsciously about the product." Her comment continues that "The colorful package is not enough. It is important to approach 5 senses of consumers in different ways including memorable PR activities, creation of appealing selling space etc.

According to an interview article of Food Industry Newspapers (09/17/2012), the buyer from PLAZA made the following comments. "Throughout the year, in the order of Valentine's Day, Christmas, and Halloween, the sales of confectionary rise high. Chocolate that focuses on beauty and health such as organic chocolate is beginning to sell well. When we choose the products, the package design is one very important point. We try to look for one with a face and atmosphere that looks like being imported. Recently, there is wide variety of customers, and it is not rare for 3 generations to come and visit our shop together. The price range is from 500 to 3000 yen. The most popular products are from the price range of 1000-2000 yen, and imported confectionary that could be given as a small gift together with a main gift is supported."

*PLAZA was founded in 1966 in Ginza as the first specialty store for imported goods. There are 80 stores in Japan. The store sells goods from all over the world including cosmetics (40%), apparel/general goods (20% each), and imported confectionery (10%).

