

Confectionery industry is the fastest growing industry within the food market

On March 21-22, at the Confex business forum, the results and perspectives for the development of the confectionery industry in Russia were discussed



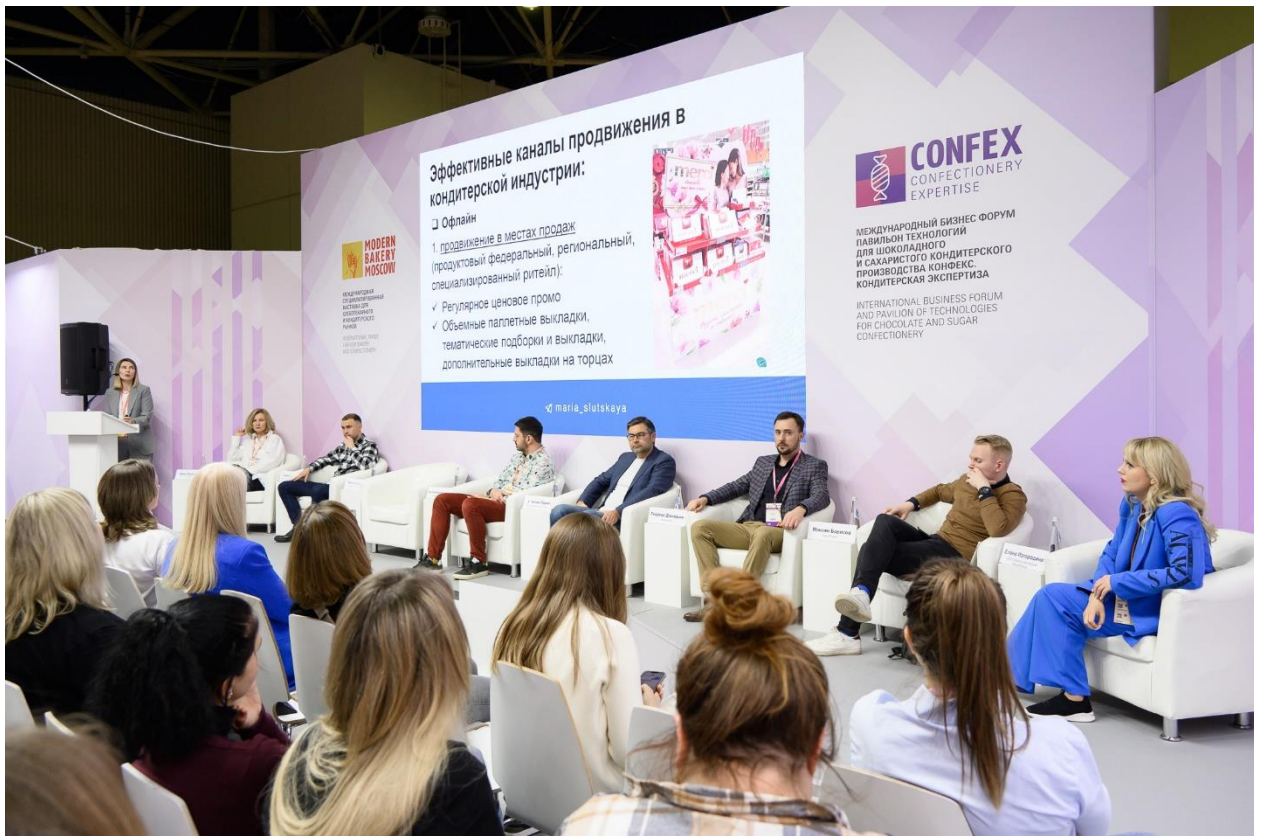
On March 21-22, the third international business forum "Confex: Confectionery Expertise" took place. Over 2 days it featured 26 speakers and attended by 417 top managers from confectionery companies. For the second year in a row, the trade fair included an exposition showcasing innovative technologies and solutions for confectionery production. Companies from Azerbaijan, Belarus, China, the Czech Republic, Germany, Italy, Russia, Turkey, and Vietnam presented their latest products in the areas of packaging, ingredients, and production technologies.



The first session of the event focused on **trends in the confectionery industry**. NilsenIQ reported that confectionery is the second-largest industry in terms of sales and the fastest-growing industry in the food market, with a growth rate of **20.2%** from January 2022 to January 2023. While the growth rate of confectionery sales doubled in most categories compared to the previous year, this was mainly due to inflation. The categories with the highest growth rates were chocolate bars (**+34.8%**), waffles (**+28.2%**), and sweet packaged cookies (**+25.9%**). In terms of sales revenue, chocolate bars remained the leading segment, with sales growing by **18.1%**. The share of online sales of confectionery products continued to grow, increasing by **1.8%** in terms of money and **1.1%** in terms of packages sold from January 2022 to January 2023. While milk chocolate was the primary driver of sales growth, white chocolate emerged as the fastest-growing segment of the bar category, with sales accelerating for the second year in a row.



During the event, speakers and top managers from confectionery companies discussed various topics, including the quality of confectionery products (Vasily Smirnov, Roskachestvo), import substitution of ingredients for confectionery production (Tatiana Savenkova, Food Ingredients Producers Union), and ways to optimize processes and **increase labor productivity** at confectionery enterprises. Vladimir Maslennikov from the Federal Center for Competences in the Field of Labor Productivity shared how the introduction of lean manufacturing principles can lead to significant economic benefits and presented specific cases. For instance, by optimizing the production of dome-shaped candies, labor productivity increased from 13.1 to 18.4 boxes/person per hour, work-in-progress decreased by 31.2%, process time decreased by 36%, and the total economic effect amounted to **173.5 million rubles per year** with an increase in sales.



Manufacturers shared their experience of **effective work in a crisis**. Maria Slutskaya, Confectionery factory "Fidelity to quality", told how the factory achieved a twofold increase in sales in the retail chain of handmade sweets and chocolates "Apriori". Due to the adjustment of the assortment matrix, changes in the pricing system and changes in customer flows, the average check in the retail network increased by 173 rubles, and the number of visitors per month increased by 3,500 people.

During the second session, experts discussed **the most promising markets for exporting confectionery products**. Elif Silpagar from the Federal Center "Agroexport" noted that the global export of confectionery products is showing stable growth, and the Russian confectionery market is among the top 10 largest markets in the world. In 2021, almost **30% of chocolate** produced in Russia was exported, and it is estimated that Russia will reach the level of **2.1-2.2 billion dollars** in confectionery exports by the end of 2024. In terms of structure, chocolate confectionery accounts for 46% of confectionery exports in 2022, flour confectionery accounts for 40%, and sugar confectionery - for 14%. The speakers also discussed the specifics of entering the markets of Israel (Olga Tyurina from Confectionery LLC "V.A.Sh. SHOKOLATE+"), China (Maxim Semin from LLC "Epindo"), the Persian Gulf countries (Natalia Shovel from "Belyov Pastila" LLC), and Southeast Asia (Valery Kaigorodov from RUSFAIR GROUP). The session was moderated by Nikolay Lychev from AGROTREND.RU.



The third session was devoted to **offline and online retail and the effective collaboration between suppliers and retail chains**. Kirill Lebedev, from Confectionery Factory "Pobeda," shared his vision on the mistakes made in the interaction between retail and suppliers in own trademark projects. Dumitro Chatterjee from Lenta discussed how the retailer's data can be used for sales planning, trade marketing, and merchandising. Dmitry Novikov from SberMarket shared statistics that showed an **85% increase** in the number of orders of sweets in 2022 compared to 2021. Ekaterina Zherebina from Mojo Cacao discussed the new realities of food retail, and the session's moderator, Dmitry Leonov, presented data on the results of the retail chain in 2022. A separate section was devoted to the main trends in constructing and implementing trade marketing and merchandising strategies for confectionery brands, as well as the most effective tools.



JOYCONOMY

Согласно исследованию компании Wunderman Thompson, основной потребительской тенденцией этого года будет стремление людей к позитиву и отвлечению от стресса, который они пережили из-за пандемии, СВО и роста инфляции.

Что ожидают от брендов?

- 1) Услуги, которые поднимают настроение,
- 2) Геймификацию для всех возрастов,
- 3) Яркую цветовую палитру в дизайне,
- 4) Позитивные новости и активации, которые сближают.



During the final session of the forum, confectionery manufacturers, along with representatives of branding and digital agencies, discussed the most promising channels for promoting confectionery products in the new reality, trends in packaging, and shared specific cases. Anatoly Korneev from OMNIMIX shared the results of their advertising campaign on the Likee social network, which successfully attracted the attention of zoomers to "Confitrade" products with 2 million impressions and 4.5 thousand clicks to the site. Elena Izgorodina from Confectionery factory "Volshebnitsa" discussed how her company develops new products and expands its range, as well as shared the successful experience of promoting confectionery products on VKontakte. Pavel Kuzyakov from Vivachoco and Vanyushkin's Sweets Confectionery factory described in detail process of developing a marketing strategy for entering the market with new products. Anna Lukanina from Depot shared a case study on the development of new packaging for MACARONIKA, while Alexey Larin from BrandExpert Freedom Island talked about the packaging of confectionery products for entering retail chains and gave examples of successful branding.

This year 417 top managers of confectionery enterprises attended the event. Over four days, business owners were able to attend the business forum: learn about market trends, communicate with colleagues, meet representatives of retail chains and marketplaces, as well as find new technological solutions for confectionery production within the Confex exposition.



Evgeny Leibovich, General Director of the Confectionery factory "Sladonezh": "For me, such events are not only an interest in speakers, but also professional communication with colleagues, which allows us to jointly develop solutions in the current market conditions."

Pavel Kuzyakov, co-founder of Vanyushkin's Sweets Confectionery factory, founder of the Vivachoco chocolate factory: "I liked the event, gained a few insights that I'm going to implement in my own business. It was quite informative and interesting.»

Kirill Lebedev, Head of the department of Confectionery factory "Pobeda": "It is a very interesting conference. I liked the audience – very professional, I also liked the speakers. The event was fascinating. We were impressed by the professionalism of the team that develops the trade fair, and by the professionalism of the audience."

In 2024, the business forum "Confex. Confectionery Expertise" and the trade fair Modern Bakery Moscow | Confex will be held **on March 19-22.**