

Unwrapping the candy category

Article

Inflation may be taking a bite out of candy sales, but there are still sweet spots.

Let's unwrap the confectionery category:

- The National Confectioners Association predicts [US confectionery sales](#) (including chocolate, non-chocolate, gum, and mints) will reach **\$44.9 billion** by 2026. Last year, the category drove **\$36.9 billion** in sales.
- While US confectionery sales are up **11.3%** year over year (in the 52 weeks ending July 10), [inflation is taking its toll](#), according to Candy and Snack Today. Growth has slowed to **4.6%** in

the last four weeks of that period, and according to the Consumer Price Index, prices of candy and gum are up **6.9%** YoY.

- **Non-chocolate candy** experienced the most YoY growth in the same time period at **14%** (**\$10.3 billion** in sales), while chocolate generated the most sales (**\$17.3 billion**) at a slightly slower growth rate of **9.4%**, per Candy and Snack Today. Gum sales grew **13.7%** to reach **\$2.7 billion**.
- **Eighty percent** of candy purchases are impulse, according to Advantage Solutions. That could spell trouble: A May Jungle Scout survey found **72%** of US consumers were making fewer fun or impulse purchases because of economic uncertainty.
- In July, Michele Buck, CEO at **The Hershey Co.**, warned the company will not be able to **meet consumer demand for Halloween** and the holiday season due to capacity constraints. It wouldn't be a surprise if other candymakers faced similar challenges, especially if inflation and supply chain issues continue to impact raw materials.

Why we care: The category may be seeing some loss recently, but two of the four major candy holidays are right around the corner. Retailers should give consumers a deal they can't refuse and use deals and promotions to sweeten impulse purchases.

This was originally featured in in the Retail By the Numbers newsletter. For more retail insights, statistics, and trends, [subscribe here](#).