Sweet Bakery Trends 2021 (update June 2021)

Including a Product Focus on Doughnuts

PART 2 of 3

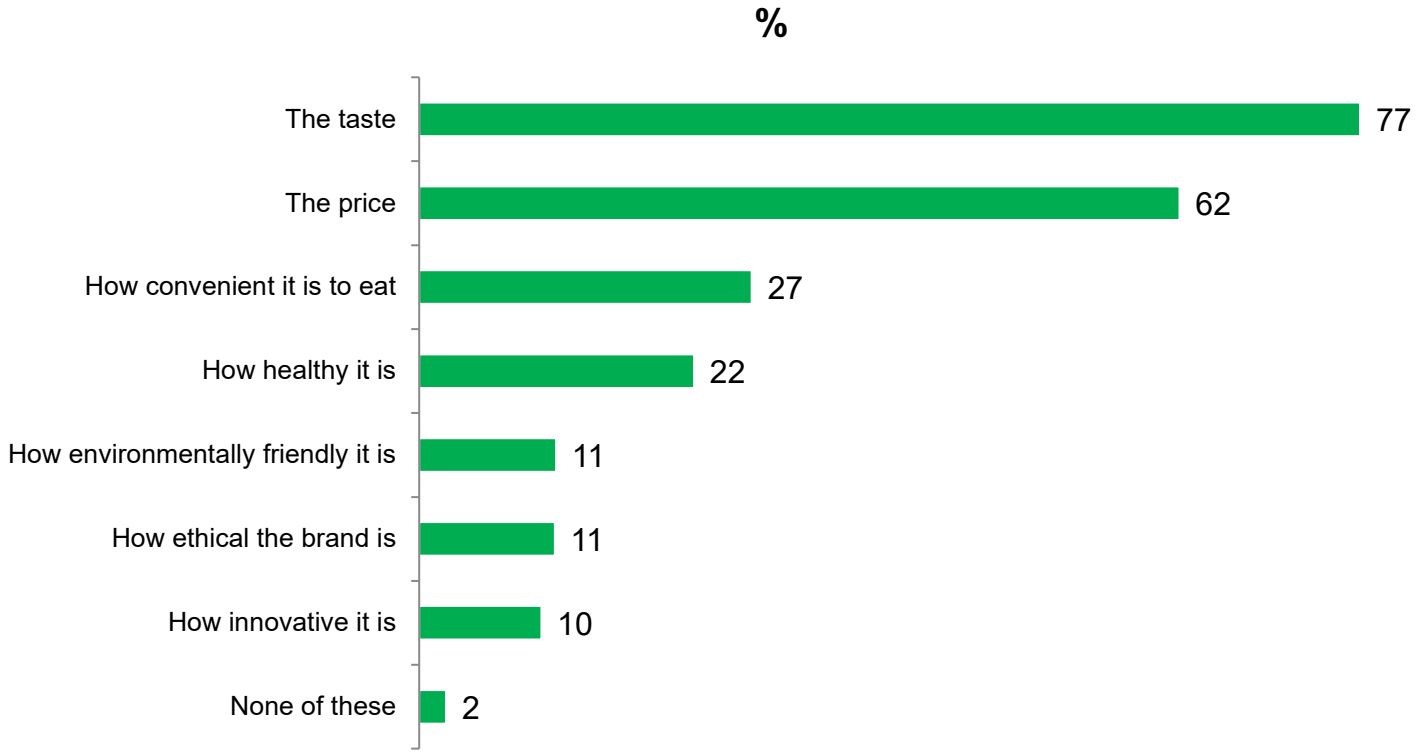
Proprietary business information of ADM.

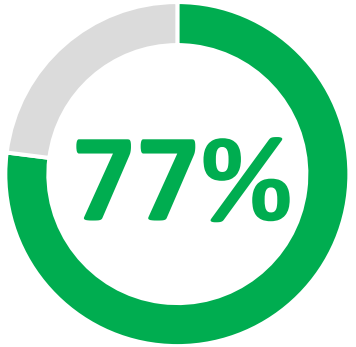
What the Consumer Wants

Choice Factors of Cakes, Cake Bars and Sweet Baked Goods

Choice factors for cakes, cake bars and sweet baked goods, December 2019

"When choosing between different types of cakes, cake bars and sweet baked goods, which of these factors do you usually prioritise? Please select all that apply."





Consumers indicated **taste** as the most important factor when choosing a cake, cake bar or sweet baked goods**, with price** being the second most important.

Base: Base: 1,637 internet users aged 16+ who have bought cakes, cake bars or sweet baked goods in the last three months.
Source: Lightspeed/Mintel

Source: Mintel - Cakes, Cake Bars and Sweet Baked Goods: Inc Impact of COVID-19. UK, April 2020.

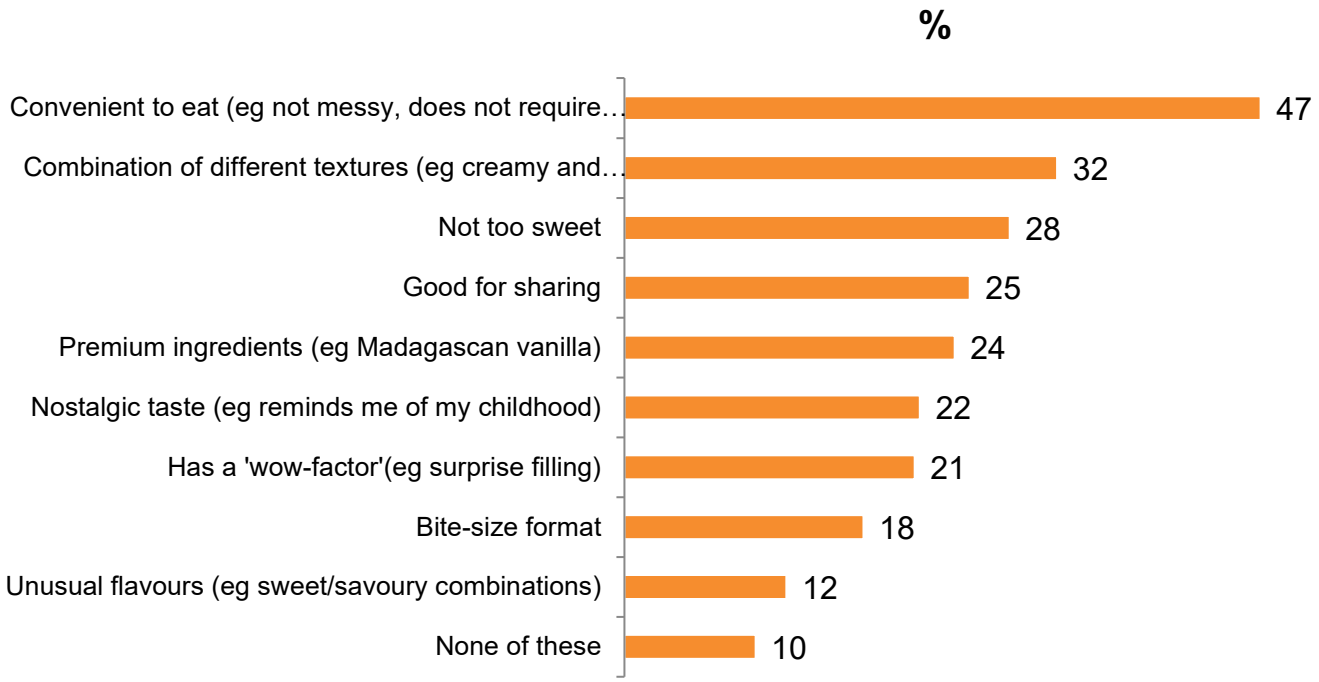
Proprietary business information of ADM.

What the Consumer Wants

Factors Important for a Perfect Cake, Cake Bar or Sweet Baked Goods

Factors considered important to have in a perfect cake, cake bas or sweet baked good, December 2019

"Which of the following factors are most important to have in a perfect cake, cake bar or sweet baked good? Please select up to 5."



47%
Consumers rank convenience as their top priority

More convenient formats could do well

Nearly **half** of people who eat cakes, cake bars or sweet baked goods think a perfect variant should be **convenient to eat**. Whilst cake bars speak to this demand for convenience, there are plenty of opportunities still to be had by new formats in this arena, international innovation suggesting scope for sweet baked goods in this space.

Base: Base: 1,801 internet users aged 16+ who have bought cakes, cake bars or sweet baked goods in the last three months.
Source: Lightspeed/Mintel

Source: Mintel - Cakes, Cake Bars and Sweet Baked Goods: Inc Impact of COVID-19. UK, April 2020.

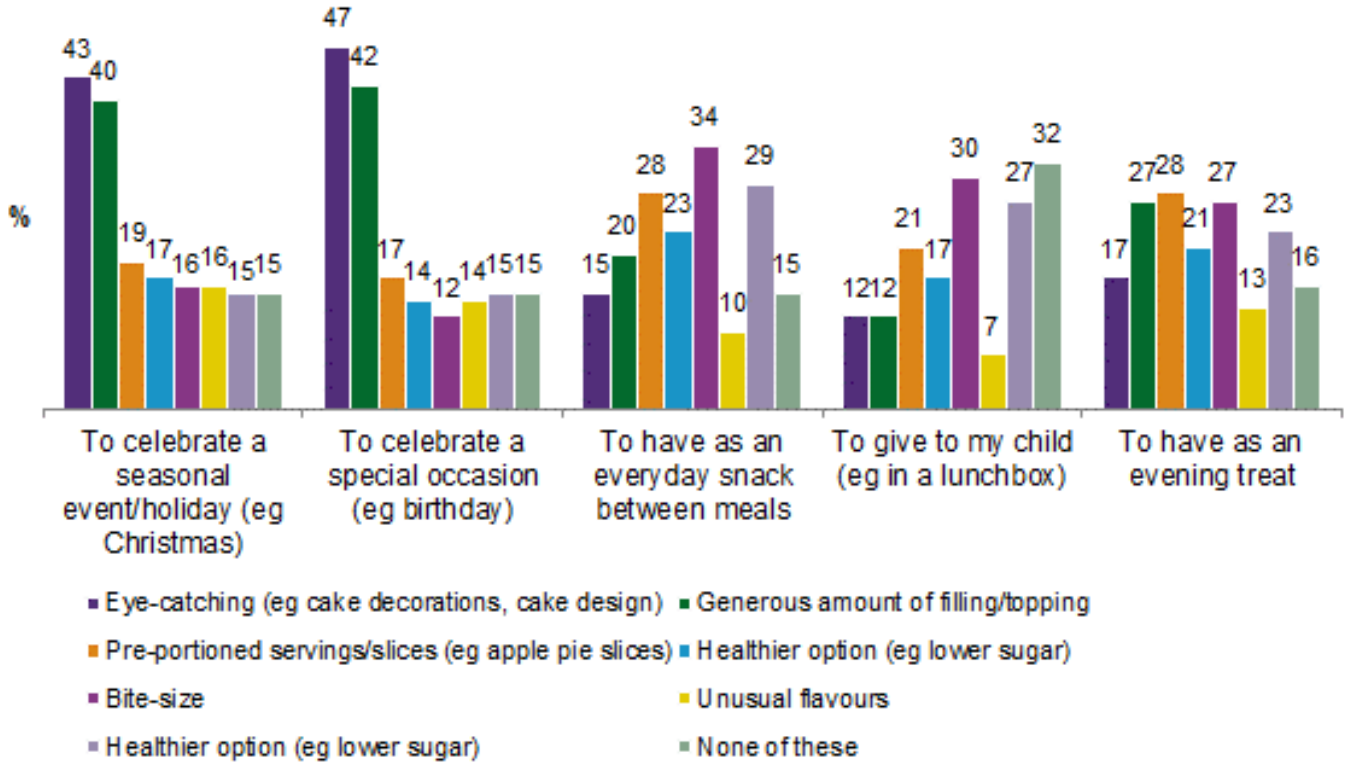
Proprietary business information of ADM.

What the Consumer Wants

Desired qualities of cakes, cake bars and sweet baked goods

Desired qualities of cakes, cake bars and sweet baked goods, by occasion, December 2020

"What qualities do you look for in cakes, cake bars and sweet baked goods for the following occasions? Please select all that apply per occasion



Base: 1,587 internet users aged 16+ who have eaten and bought cakes, cake bars and sweet baked goods in the last 3 months

Source: Lightspeed/Mintel

Source: Mintel - Cakes, Cake Bars and Sweet Baked Goods. UK, April 2021.

Presentation is key for occasion cakes.

Eye-catching creations are in high demand for both special occasions and seasonal events/holidays, sought by **47%** and **43%,** respectively, of people who eat and buy cakes, cake bars and sweet baked goods.

The bar has been set high by NPD in the market over a number of years, with both **brands and supermarkets' own-label ranges offering cakes with elaborate decorations.**

This makes in-store visibility and presentation – whether in stores or online – a key aspect of winning shoppers over. Steps to **showcase innovative elements on pack** are also firmly warranted in light of this.

Focus on portion control.

Pre-portioned servings/slices, bite-size and **the healthier option** are the most important factors for those choosing an everyday snack, to give to my child or to have as an evening treat.

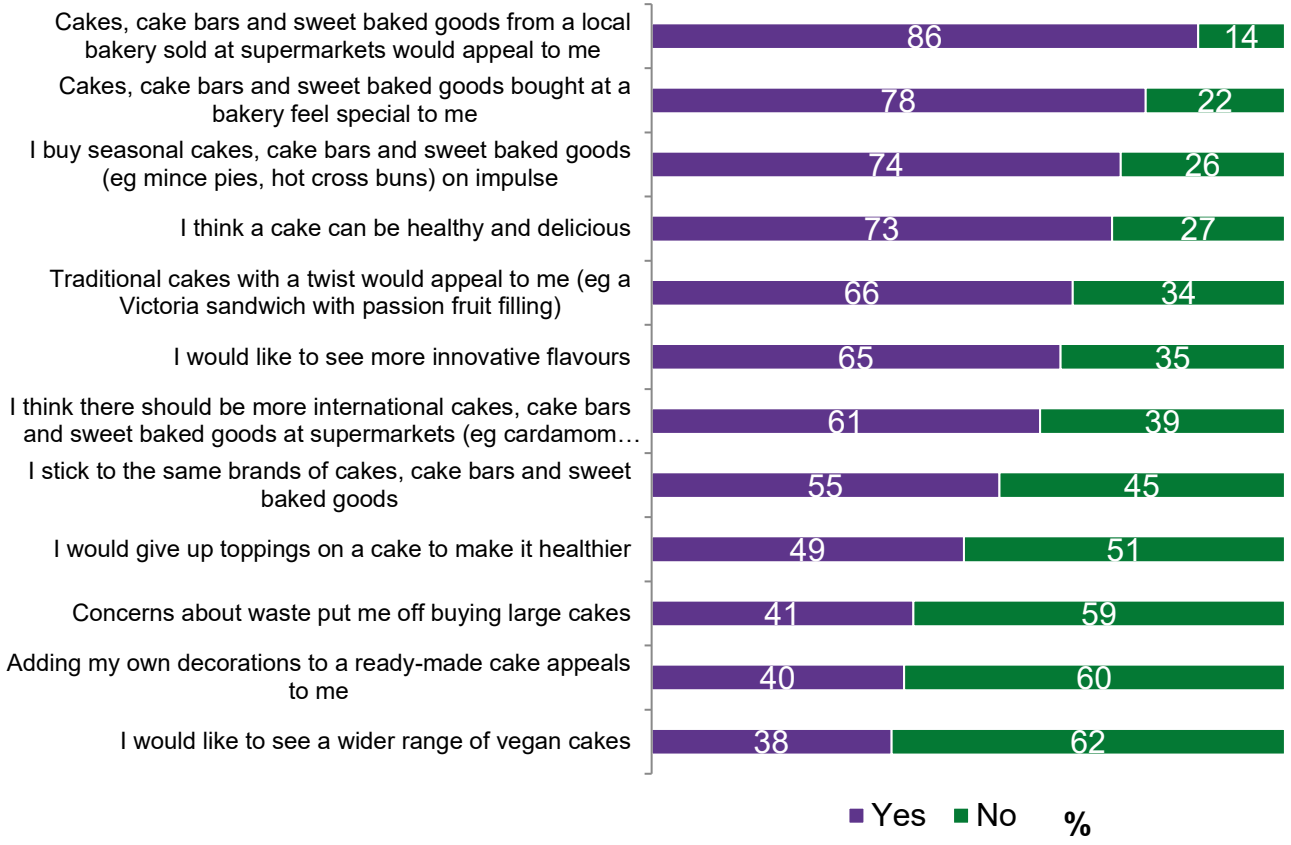
Proprietary business information of ADM.

What the Consumer Wants

Behaviour Related to Cakes, Cake Bars and Sweet Baked Goods

Cakes, cake bars and sweet baked goods eating and buying behaviours, December 2019

"Do the following statements about cakes, cake bars and sweet baked goods apply to you?"



Source: Mintel - Cakes, Cake Bars and Sweet Baked Goods: Inc Impact of COVID-19. UK, April 2020.

Creating a local bakery feel could win favour with consumers

The strong view that products **bought at a bakery feel special** is testament to the enduring positive image that these have maintained
in the face of huge competition from their much larger competitors, the supermarkets.

Supermarkets could look to emulate the more pleasurable and personal experience associated with shopping at a bakery through **stocking locally sourced baked goods** and calling out their products' **artisan credentials** more. The popular perception that **cake can be healthy and delicious** spells good news for brands to diversify into offering more healthy options, something they've been tasked with by PHE.

Base: Base: 1,626 internet users aged 16+ who have bought cakes, cake bars or sweet baked goods in the last three months.
Source: Lightspeed/Mintel

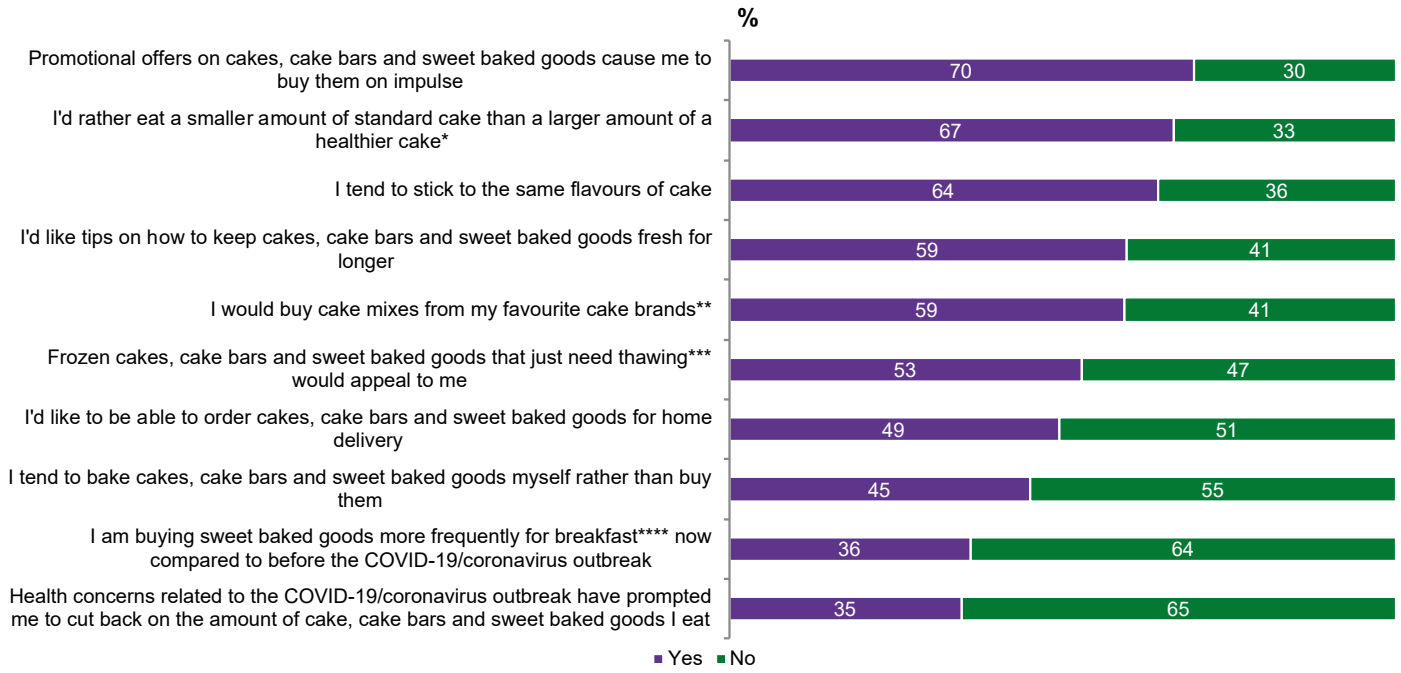
Proprietary business information of ADM.

What the Consumer Wants

Behaviour Related to Cakes, Cake Bars and Sweet Baked Goods

Cakes, cake bars and sweet baked goods, December 2020

"Do the following statements about cakes, cake bars and sweet baked goods apply to you?"



Consumers are keen for cakes and bakes to keep for longer

Over half (59%) of people who eat cakes, cake bars and sweet baked goods would like tips on how to keep them **fresher for longer**. Less frequent grocery shopping and a cautious approach to budgets during the pandemic have made keeping food fresher for longer more important. Instructions for optimal storage, including highlighting suitability for home freezing, can help brands win favour.

The focus on shelf life plays a role in the keen interest in frozen versions of cakes, cake bars and sweet baked goods that simply need thawing. While frozen ready-to-bake treats are widely available, there are very few that simply need to be thawed. This points to a missed opportunity given the level of interest.

Base: 1,587 internet users aged 16+ who have eaten and bought cakes, cake bars and sweet baked goods in the last 3 months.
(eg lower sugar, lower calories); **(eg Mr Kipling, McVitie's); *(eg ready-to-thaw cinnamon buns, heat-and-eat muffins);****(eg waffles, pastries).*

Source: Lightspeed/Mintel

Source: Mintel - Cakes, Cake Bars and Sweet Baked Goods: Inc Impact of COVID-19. UK, April 2021.

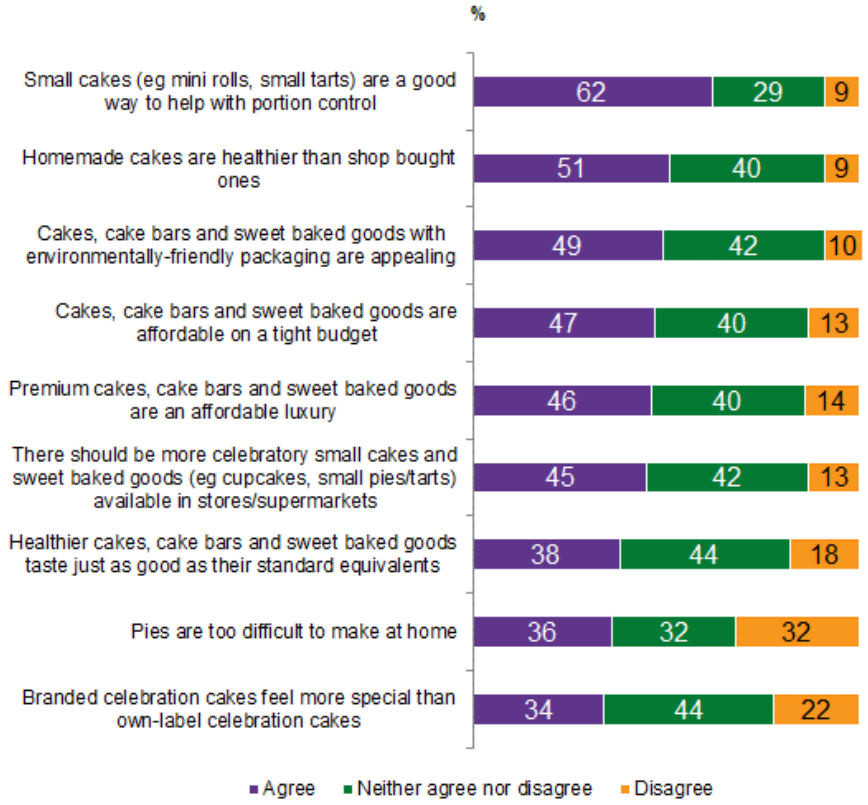
Proprietary business information of ADM.

What the Consumer Wants

Behaviour Related to Cakes, Cake Bars and Sweet Baked Goods

Attitudes towards cakes, cake bars and sweet baked goods, December 2020

"Do you agree or disagree with following statements about cakes, cake bars and sweet baked goods?"



Base: 2,000 internet users aged 16+ *Source: Lightspeed/Mintel*

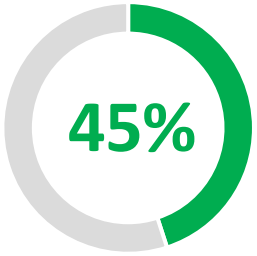
Source: Mintel - Cakes, Cake Bars and Sweet Baked Goods: Inc Impact of COVID-19. UK, April 2021.

Cakes and sweet bakes have work to do amid keener spotlight on health

The COVID-19/coronavirus outbreak has heightened consumers' **focus on health**, and this interest is expected to endure. This poses a challenge for cakes and sweet baked goods as an inherently indulgent category.

A **'clean label'** proposition can support permissibility, tapping into the view among half (**51%**) of consumers that homemade cakes are healthier than shop bought ones. **Healthier variants** also hold potential as **38%** of people think healthier cakes taste as good as standard equivalents.

However, **portion control** remains another key area to explore as **67%** of cake, cake bars and sweet baked good users and buyers would rather eat a smaller amount of standard cake than more of a healthier version.



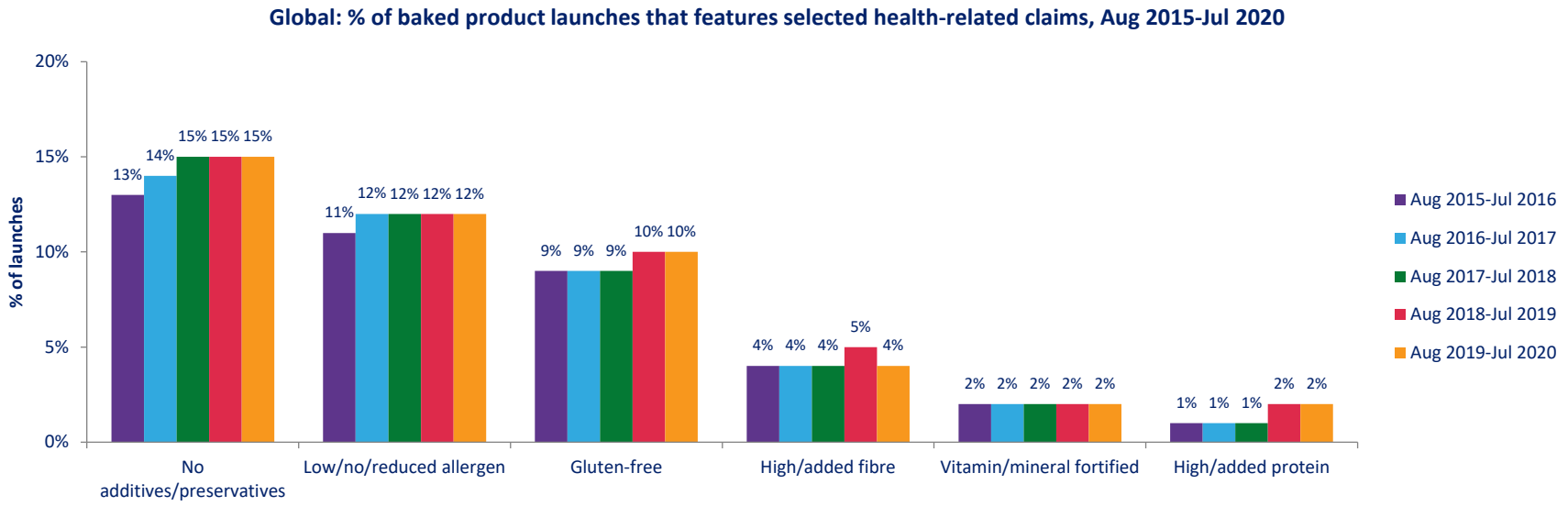
Of consumers say they tend to **bake** cakes, cake bars and sweet baked goods themselves **rather than buy them**

Proprietary business information of ADM.

What the Consumer Wants

Reformulating with less processed and more natural ingredients

Global: % of baked product launches that features selected health-related claims, Aug 2015-Jul 2020



Source: Mintel GNPD

No additive/preservative claims are becoming more prevalent in baked product categories

Example: % of global bakery product launches with no additives/preservatives rose from 13% in the 12 months ending July 2016 to 15% in the 12 months ending July 2020.

Source: Mintel - Patent insights: Innovation in bakery products. UK, September 2020.

What the Consumer Wants

Spotlight on health stimulates more better-for-you variants, but these remain niche.

- In 2019, only 3% of launches in the cakes and sweet baked goods market made a low/reduced sugar claim, up from 1% in 2018. Launches with high or added-fibre claims also increased from 1% in 2018 to 2% in 2019, again, a very small proportion.
- However, healthy innovation is not limited to these elements, and various launches explored the addition of fruit, vegetables or seeds to boost their image as healthy.

Innovation responds to growth in plant-based movement

- With the buzz around vegan and plant-based diets in recent years fuelling more widespread awareness and interest in these types of products, the cakes and sweet baked goods market is responding with NPD.
- The share of launches featuring a vegan or no-animal-ingredients claim has risen to 10% in 2020, up from 8% in 2019 and just 1% in 2015, demonstrating that brands are seeing potential in this claim.

Source: Mintel - Cakes, Cake Bars and Sweet Baked Goods: Inc Impact of COVID-19. UK, April 2020 & UK April 2021

Give bakery a nutritional boost

Growing awareness about the relationship between diet and health has increased consumers' demand for bakery products with improved nutritional value.

Recent innovations in bakery are focused in increasing protein/fibre/micronutrient content and decreasing the fat/sugar content of baked goods.

Solve the sensory challenges via 'clean' additives:

Taste, texture and sensory attributes also play an important role in choosing baked goods.

With the rising demand for clean label, baked good suppliers look to explore ways to manufacture 'all-natural' products without artificial additives or preservatives.

Source: Mintel - Patent insights: Innovation in bakery products. UK, September 2020.

Proprietary business information of ADM.

To be continued...

Please download part 3