Baking industry consumer trends — What’s on the horizon?

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Agenda: Trends in food and drink

Help Me Help Myself

The Real Thing

Factory Fear

Human
Help Me Help Myself

Consumers are learning new ways to nudge themselves towards better habits.
61% of US adults currently pay attention to nutrition labels on food items as a way to manage their weight.

38% of US adults say labels or signage in the grocery store to help identify healthy items would be very useful in managing their weight.
Wearable health technology is catching on

22% of US consumers have purchased a wearable device, such as smartwatch or Fitbit.

21% of UK adults already use either a wearable device or a health-related mobile app, but as many as 40% of Brits are interested in a device that tracks heart rate, blood pressure and movement.

13% of Chinese consumers say they have a wearable digital product in their household.
Permissible indulgences

28% of US cake and pie users indicate that individual portion sizes would influence them to purchase more prepared cakes or pies.

20% say mini or bite-sized formats would influence them to buy more.
Fortified foods help consumers supplement

Half of US prepared cake and pie buyers said high fiber is important to them
The desire for high protein has expanded beyond categories that naturally contain it, such as dairy and meat, and into fortified snacks, beverages, and bakery.

Top five food and drink categories with “high protein” launches, US, 2013

- Snacks: 24%
- Processed Fish, Meat & Egg Products: 14%
- Dairy: 20%
- Other Beverages: 13%
- Bakery: 6%
- Other: 23%

Source: Mintel GNPD
Protein baked goods

Lenny & Larry’s Muscle Brownie contains 20 grams of protein.

Kontos Greek Lifestyle Flatbread with 15 grams of protein.
Better-for-you baking

54% of 25-34 year olds who are buying baking dessert mixes say that they are buying healthier baking or dessert mixes (e.g., with less fat or alternative sweetener such as stevia).

59% of households with one or more child that buy baking and dessert mixes are buying healthier mixes.
WHERE ARE WE GOING?
Fooducate is an app that assigns food products a color-coded grading system. Consumers can use the app in aisle to check the health of packaged food and drink.
Vessyl’s smart cup tracks what consumers are drinking, including calorie and caffeine counts.
Dubai: Municipal officials gave residents a gram of gold – worth $45 – for every kilogram they lost during a 30-day challenge.
The Real Thing

Consumers are craving products that come with a stamp of authenticity.
Perimeter limits

58% say the food items from specialty counters, including deli and bakery, are fresher

38% believe you get better value when you purchase food items from specialty counters
Let them eat cake (or pie)

65% say the taste of cakes and pies is more important than nutritional content.

46% eat cakes and pies as an indulgence.
Keeping it real

75% of US consumers use white granulated sugar

68% use brown sugar

58% use honey

Compared with:

39% who use low- or no-calorie sugar substitute
51% of US soft drink users say soft drinks that use artificial sweeteners are unhealthy.

56% say regular soft drinks taste better than diet versions.
Nostalgia fuels purchases

After Hostess’ bankruptcy announcement fueled sell-outs, their new owner capitalized on the notoriety of the disappearance from shelves with a comeback-themed campaign.
Celebrating its 50th Birthday in 2014, Kellogg’s Pop-Tarts are reporting such rapid sales as to rank among other growing food and drinks, such as coconut water, quinoa, kale, avocado and gluten-free bread, according to a Wall Street Journal profile.

Sales of Pop-Tarts exceeded $800 million in 2013, up 3.9% from 2012, according to IRI data used by the newspaper. The sugary breakfast items appeal to kids, teens and adults all for varying reasons — portability being a leading one.
WHERE ARE WE GOING?
Sweeteners of note on baked goods

Sara Lee Classic Honey Wheat Bread promotes that it does not contain high fructose corn syrup on the front of the pack.

G Mommas Buddascotch Oatmeal Cookies note that they use real butter on the front of the pack, but also uses real sugars.
82% of US consumers say it's important ingredients are native to the cuisine.
Authenticity key in ethnic cuisine

Stonefire Sweet Chili Tandoor Baked Naan
Flat Out Sea Salt Baked Flatbread Crisps
Father Sam’s Par-Baked White Tortillas
3 Factory Fear

*Product recalls. Allergy scares. Villainous additives. We’re more wary of what we consume than ever before.*
of Chinese consumers say they are generally concerned about the safety of food these days.

49% of UK consumers who say they're taking greater care to wash fruits and vegetables due to food scares like E-coli outbreaks.

2,363 Number of recalls US consumers were warned about in 2012
Demanding specifics

“All-natural” product claims have declined in overall US food and drink launches between 2009-2013. Instead more specifics are required:

24% of bread and bread products made a whole grain claim from July 2013-14

23% of breads made a no additive/preservative claim

10% made an “all-natural” product distinction

Source: Mintel GNPD
Special delivery

38% of primary grocery shoppers are interested in more sampling so they can taste or try products before buying them.
Must have allergies

USA: GlutenFreeSingles.com is a dating site “where you never have to feel alone, awkward, or a burden because you are gluten free.”
WHERE ARE WE GOING?
greenScans:
Turns a produce barcode into an extended label, complete with info about the farm that grew it and its growing practices, nutritional content, and recipes.
Scanning for security

Alleviating the mystery of ingredients, handheld devices are in development that are reportedly able to scan food to educate consumers about the food’s ingredients, calories and more. Tellspec’s miniature spectrometer uses a mathematical algorithm to analyze the chemical composition of food and delivers findings to one’s smartphone, as shown below.
Do we need a dose of reality?

INGREDIENTS: WATER (75%), SUGARS (12%) (GLUCOSE (48%), FRUCTOSE (40%), SUCROSE (2%), MALTOSE (<1%), STARCH (5%), FIBRE E460 (3%), AMINO ACIDS (<1%) (GLUTAMIC ACID (19%), ASPARTIC ACID (16%), HISTIDINE (11%), LEUCINE (7%), LYSINE (5%), PHENYLALANINE (4%), ARGinine (4%), VALINE (4%), ALANINE (4%), SERINE (4%), GLYCINE (3%), THREONINE (3%), ISOLEUCINE (3%), PROLINE (3%), TRYPTOPHAN (1%), CYSTINE (1%), TYROSINE (1%), METHIONINE (1%)), FATTY ACIDS (1%) (PALMITIC ACID (30%), OMEGA-6 FATTY ACID: LINOLEIC ACID (14%), OMEGA-3 FATTY ACID: LINOLENIC ACID (8%), OLEIC ACID (7%), PALMITOLEIC ACID (3%), STEARIC ACID (2%), LAURIC ACID (1%), MYRISTIC ACID (1%), CAPRIC ACID (<1%)), ASH (<1%), PHYTOSTEROLS, E515, OXALIC ACID, E300, E306 (TOCOPHEROL), PHYLLOQUINONE, THIAMIN, COLOURS (YELLOW-ORANGE E101 (RIBOFLAVIN), YELLOW-BROWN E160a), FLAVOURS (3-METHYLBUT-1-YL ETHANOATE, 2-METHYLBUTYL ETHANOATE, 2-METHYLPROPAN-1-OL, 3-METHYLBUTYL-1-OL, 2-HYDROXY-3-METHYLETHYL BUTANOATE, 3-METHYLBUTANAL, ETHYL HEXANOATE, ETHYL BUTANOATE, PENTYL ACETATE), 1510, NATURAL RIPENING AGENT (ETHENE GAS).

Ingredient label source: http://jameskennedymonash.wordpress.com/2013/12/12/ingredients-of-an-all-natural-banana/
Automation and mass production will continue to make life easier, but consumers and companies will react by valuing — and promoting — human service and artisan goods.
62% of consumers try to purchase local food whenever they can.

41% say locally sourced ingredients on the menu have an influence over their restaurant choices.
Craftsmanship is key

50% of US prepared cake and pie users say locally made, perhaps from a local bakery or in-store, is important when purchasing the treats.

40% look for premium, gourmet or artisanal prepared cakes and pies.
Arts and crafts movement

20 million

Etsy members in 2013 up from 3.8m in 2009.

$436.9 million

Sales in first 7 months of 2012; compared with $525.6 million for all of 2011.
Artisan & packaged are not mutually exclusive

Ecce Panis Harvest Grain Loaf has hand crafted, stone baked and artisan claims.

CVS private label Sea Salt Caramel Shortbread cookies are made using artisanal techniques.
Patrón Tequila

Each of its bottles is ‘individually crafted by a glass artisan from recycled glass and is hand numbered.’

20%

of US adults of legal drinking age who drink tequila look for attractive packaging design when choosing spirits. Just more than one-quarter wants super-premium or premium tequila.
WHERE ARE WE GOING?
Artistry on display

Papabubble makes its artisanal candy on site, allowing customers to watch the ‘caramel artisans’ create the product before their eyes.
Show me the pizza!
The art of customization

45% of baking and dessert mix users think it’s important that products offer multiple preparation options or recipes on packaging
Key Takeaways

Help Me Help Myself
Consumers are seeking more tools and advice to help them stay on track with their personal goals on a daily basis.

The Real Thing
The search for authenticity includes natural ingredients and traditional production methods.

Factory Fear
Not only do consumers want to know what’s inside their products, they want to know how it got there and more about the company that made it.

Human
Interest in how it’s made extend into who made it, the maker’s training and the size of the batch.
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