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The Grocer Guide to...

The Grocer

Bread & baked goods

Hovis

Insight-driven development

DETAILS

Hovis Limited
Lincoln Road
High Wycombe
Bucks HP12 3QS
t: 0800 0223394
w: hovis.co.uk

KEY CONTACTS

Alistair Gaunt
Commercial Director
Claire Parlour
Marketing Director

KEY BRANDS

Hovis®
Hovis Bakers Since 1886®

Over the last year, pre-packaged bread loaves have grown by 3% in value[1], and Hovis has outperformed this with 3.3%[2] growth, making it the biggest contributor to category value amongst all major brands[3], reveals Claire Parlour, Hovis marketing director.

"Hovis Soft White, grew by £16.8m RSV, an increase of 10.6% vs last year[3]," she says. "Our Hovis Bakers Since 1886 range, launched in 2021, has gone from strength to strength, selling £9.5m over the latest 52 weeks[4], with excellent levels of repeat purchase[5]."

All of the company's NPD is insight-driven, either anticipating or as a response to leading consumer trends, explains Parlour. "The launch of our Hovis Bakers Since 1886 range followed extensive research and taps into the trend for artisanal-inspired bread and bakery products, while responding to the current desire of many shoppers to enjoy affordable treats in tough economic times. In April, we introduced our new Granary Cob, which taps into the trend of consumers wanting to 'elevate' their mealtimes, plus our new Premium Hot Dog Rolls for a BBQ or grill night. These complement the rising interest in premium sausages and meat-free alternatives, providing a great solution for the 55% of consumers who prefer to have a regular roll, rather than brioche, for their hot dog.

"More recently, we launched a further four new products to extend the Hovis Bakers Since 1886 range," adds Parlour. "This included: HFSS-compliant Premium Teacakes, with a delicate blend of citrus fruit peel and plump juicy fruit; and three products for our new Home Bakes range – Rustic

"Our Hovis Bakers Since 1886 range responds to the consumer desire for artisanal-inspired products, while remaining an 'affordable treat' during tough economic times"

White Rolls, Rustic Seeded Rolls and Baguettes, giving shoppers the opportunity to enjoy delicious freshly-baked bread in the comfort of their own home and with the convenience of a pre-packaged, longer shelf life option."

Over the years Hovis has used multiple marketing and merchandising levers to support its brand, says Parlour. "Our Hovis Bakers Since 1886 launch was supported initially by a TV-led ATL campaign. More recently, we have focused on in-store/online support, with engaging fully-branded FSDUs, gondola end displays and targeted online activation to encourage shopper trial.

"After almost 140 years, Hovis remains a much-loved brand, cited as a favourite by 53% of households in a recent survey of bread buyers[7] and with almost 17m households buying Hovis in the latest year[8]," she reveals.

"Our extended Hovis Bakers Since 1886 loaves, rolls, other bakery and new Home Bakes, as well as our popular core Hovis range of sliced loaves, means we can offer an exciting, tasty and relevant range to a wide variety of shoppers with differing needs and budgets."

Source

1 NielsenIQ Scantrack, total coverage, incl. discounters, total pre-packaged bread loaves, excl. private label and brands with < 3% value share, 52 w/e 10.09.22 vs 52 w/e 11.09.21
2+3 NielsenIQ Scantrack, total coverage, incl. discounters, total Hovis sales by brand, value sales, 52 w/e 10.09.22 vs 52 w/e 11.09.21
4 NielsenIQ Scantrack, total coverage, incl. discounters, total Hovis Bakers Since 1886®, value sales, 52 w/e 10.09.22
5 NielsenIQ Homescan, total GB, trial and repeat analysis, data to 10.09.22
6 Zinklar consumer research, July 2021, N = 300
7 Walnut Brand Tracking Dip, N = 400, July 2022
8 NielsenIQ Homescan, 52wk penetration, 52 w/e 10.09.22

Analysis

Affordable treats

The category's role in a volatile UK landscape is changing, but new opportunities are emerging

Breads and baked goods have played an important role in a rapidly changing UK market over the past few years. With the structure of the market now seemingly changed for good, hybrid working here to stay and a cost-of-living crisis already beginning to bite, there are plenty of issues for bakery retailers to consider when it comes to retaining loyal shoppers and attracting new business.

Yet with challenge comes opportunity and bakery is an area that provides consumers with both a staple food for breakfast, lunchtime and evening family meals, but also a sense of comfort and indulgence in the form of little luxuries at an affordable price. In the months ahead, this looks likely to be an important factor in category development as consumers seek the reassurance of brands and products they know, but also look for variety in terms of providing for an increased number of at-home meals and social entertainment occasions.

Artisan bread, which is still seen as an affordable treat for many consumers, has bucked the overall bread market rising by 11.6%[1], reveals Hovis marketing director Claire Parlour. This is against a backdrop where sales of prepackaged sliced bread have declined 3.1%[2] in unit sales year-on-year. She points to a shift in purchase behaviour, with some

Contents

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TEL: 01293 613400
EDITOR: Ellie Woollven
DESIGNER: Michael Joslin; Stuart Milligan; Nick Figgins; Beth Johnson
PRINTERS: St Ives

Analysis

consumers moving away from large loaves of bread with seeds and grains, which had experienced good growth over the last few years, but notes that large white loaves have seen a slight resurgence, up 1% in unit sales[3].

Baker & Baker European CEO John Lindsay also notes an impact on retailer and shopper behaviour from the onset of inflationary pressures and the cost-of-living crisis, despite a rebound in fresh bakery performance since the relaxation of Covid-19 restrictions last year. "Consumers are watching what they spend more closely, although this is having a varied impact across different categories. In fact, so far, fresh bakery is holding up relatively well; having a relatively low price point, the category remains accessible for the majority of consumers as a rewarding affordable treat," he says. "Changing working patterns are affecting demand in urban locations and the type of out-of-home establishment. Within food-to-go, bakery products as a snack alongside coffee or other hot drinks remain a relatively inexpensive proposition."

Shoppers feeling the pinch are looking for ways to recreate favourite meals at home – particularly families, notes Josh Corrigan, senior national account manager at St Pierre Groupe, commenting for the Baker Street brand. "In fact, in a recent study we carried out for Baker Street, almost half of UK parents are recreating takeaways at home, with burgers at 36% and hot dogs at 26%[4]," he says. "The appeal of Baker Street products is that they are quality products packaged in a way that drives 'fakeaway' usage. The same study found that 34%[5] of UK parents said products that help to recreate 'dining out' experiences at home appeal in the current climate and our sales certainly support that."

As bread is a staple in most UK households, 73% of consumers purchase packaged bread/roll products at least once a week[6], says Stuart Meikle, commercial director at Aryzta UK & Ireland. "However, bread is no longer just seen as a convenient way to add substance to meals," he says. "Consumers now recognise it as a way to add flavour, texture and nutrition, demonstrated in the growing demand for fresh bread/roll products, with 70% consuming them at least once a week[7]."

Events over the past few years have transformed breakfast as a meal occasion, says Jen Danby, marketing director at St Pierre Groupe and speaking on behalf of the St Pierre brand. "Consumers are dedicating more time to what was once a rushed, potentially eaten-on-the-go meal." The company has seen significant growth (+26%) in morning goods[8], particularly for its croissants and pains au chocolat, thanks in part to new listings with Asda. However, it also reports a 72% rise in brioche sales since last year and an 87% lift in rolls and baguettes[9], driven by its range of brioche burger buns, hot dog rolls and baguettes.

Health & wellbeing

Since the Covid-19 pandemic, the consumer focus on health & wellbeing is a firmly established driver of purchase across most food and drink categories. At Hovis, Parlour says consumer awareness of the importance of taking care of our health continues to rise, with 68%[10] saying they try to eat healthily most or all of the time. As such, Hovis Wholemeal with a source of vitamin B1 continues to be the best-selling branded wholemeal bread[11], she notes. To cater for health-conscious consumers looking for a lighter eat, the company recently launched Hovis Nimble Malted Danish, with just 53 calories a slice and low in sugars and fat.

"Recent studies have highlighted the growing consumer interest for naturally functional foods, seeking healthy food solutions which clearly guide them to meet their daily health goals," says Aryzta's Meikle. "Many are also making conscious lifestyle choices to omit certain ingredients and high processed products from their diets, driving a focus on naturally nutritious foods."

"Recent research conducted by Baker & Baker highlighted that up to 23% of UK consumers are actively seeking a flexitarian diet[12]," says Baker & Baker's

Global and local market pressures

"The war in Ukraine has had a notable impact on the availability and cost of certain commodities, and rising energy prices have also significantly impacted the bakery industry as a whole," says John Lindsay, European CEO at Baker & Baker. "As a sweet bakery products manufacturer, we've seen widespread shortages of sunflower oil and other sunflower derived materials, and of course higher costs right across the supply base.

"We've maintained a consistent and positive dialogue with our key retailers in implementing unavoidable price increases this year – where a fully transparent partnership approach has been essential."

Hovis marketing director Claire Parlour says it is well publicised that inflation has reached a 40-year high. "The baking industry is just as exposed as any other to these pressures, more so if you consider the key ingredients and the amount of energy used in the baking process." She says Hovis has worked with suppliers and retail partners to mitigate as much as possible through a variety of initiatives. "Having the best quality products in an essential category such as bread can be the most important attribute to consumers at times like these."

Closer to home, Baker & Baker has been working with its retail customers to analyse the potential impact of HFSS regulations, and how they might affect bakery fixtures and in-store bakeries, says Lindsay. "Overall, most retailers appear to be following both the letter and spirit of the law, and the regulations have provided an obvious opportunity for retailers to thoughtfully re-position or wholly redesign their fixtures.

"It's too early to analyse the actual impacts of HFSS on sales, but we're confident that in-store bakery will remain a robust and attractive proposition, particularly as retailers are now investing more in experimentation and new product development following the end of Covid-19 restrictions."

Parlour at Hovis says that while the legislation does not apply to bread or rolls, it does apply to other bakery products such as crumpets, teacakes and croissants. The company's Hovis Bakers Since 1886 range of bakery snacks and treats is fully HFSS-compliant, she adds.

Lindsay. "There are also clear drivers for consumers switching to vegan products, including environmental concerns and a desire for more natural ingredients, a key driver for us in launching our range of vegan cookies, doughnuts and muffins for the UK market.

"We are continually looking at reformulation, including calorie and sugar reduction, throughout our key sweet bakery categories of cookies, doughnuts and muffins, although the majority of consumers are still looking for a well-deserved treat, and so whatever changes we make regarding formulation – we ensure that our products 'deliver' in terms of taste, flavour, texture and overall indulgence," he adds.

St Pierre's Danby also points to the trend for vegan and flexitarian diets as part of a healthier lifestyle and says these are having an impact, although perhaps not so significantly as in more obvious categories. While vegan products only account for a £1.3m in sales in a croissants category worth £107m[13], that represented an uplift of 51% year on year[14], she notes. Equally, in pain au chocolat products, a £57m category, vegan items only account for £1m in value sales[15] but that, too, was up 60% YOY[16]. The company's croissants and pain au chocolat products moved to a vegan formulation this year, she reveals, but explains that was not so much about trends as about a new recipe that further improves product quality.

Key flavours and ingredients

While sourdough has the highest share of speciality loaves accounting for almost 45% of all spend in the category[17], there is a growing consumer trend for new flavours, says Meikle from Aryzta. "Olive is seeing strong growth, up 28%[18]. Cheese-Plus (cheese with another ingredient, such as jalapeño currently holds a 2% share but in phenomenal growth, up 46%[19]," he reveals.

In terms of fresh sweet bakery, chocolate has always been king, says Baker & Baker's Lindsay, who does not expect this to change any time soon. "However, manufacturers and brands have been increasing experimenting with twists on classic flavours, such as salted caramel and hazelnut spread," he notes.

Hybrid products also continue to be on-trend, with St Pierre launching its Brioche Bagel this year, on the back of two years of sustained growth for bagels, reveals Danby. By cross-selling this with different meal occasions, the company is delivering on value for shoppers, she adds.

Cost-of-living, at-home socialising

Indeed, delivering strong value – and a perception of value – for the shopper in the current economic climate will be essential in the months to come,"

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notes Lindsay at Baker & Baker. "From a product perspective, we expect items that still represent 'affordable treats', such as the cookie category in particular, to demonstrate continued, healthy growth as an indulgent yet simple fresh and affordable bakery offering.

"This year, there are also a number of sporting events that do not usually appear on the calendar during autumn and winter, such as the T20 Cricket World Cup and the 2022 Qatar World Cup, providing big opportunities for retailers in the lead up to Christmas."

"With the importance of home socialising, Christmas fast approaching and more home lunches through hybrid working, albeit within a challenging economic environment, consumers are looking for variety, inspiration and affordability," says Hovis' Parlour. "With Christmas in mind, our new Hovis Bakers Since 1886 Home Bakes range – comprising Rustic Seeded Rolls, Rustic White Rolls (both in four-packs) and a twin-pack of Baguettes – is ideal to further drive trial in the growing bake at home category. These have the added benefit of a significantly longer shelf-life versus standard bread, helping minimise any risk of waste," she adds.

With dining out less likely, at-home socialising will grow, says Baker Street's Corrigan. "Retailers can maximise the opportunity with Big Night In displays that make it easy for their shoppers. Versatile products, like our bread carriers, also deliver on the value question because they can be used for multiple meal occasions.

"At-home socialising will also play a key role at Christmas and so affordable luxuries – like the Christmas markets-inspired range from Baker Street – will prove popular. The full range offers Christmas flavours in new, snacking and sharing formats, enabling consumers to enjoy a taste of Christmas markets at home."

Eating better-quality food and entertaining guests at home is still more cost-effective than going out, notes St Pierre's Danby. "Anything that is saving shoppers time and provides an easy solution for entertaining at home is doing well. There's a real opportunity for retailers to inspire shoppers and provide affordable luxuries, working with brands like St Pierre to ensure basket spend at a time when shoppers are, economically speaking, more discerning.

Communicating to a social audience

Many consumers increasingly look for online inspiration to enhance their mealtimes at home, says Hovis' Parlour. As such, social media plays an integral part of the company's overall marketing strategy. "Our social content provides shoppers and consumers with timely prompts for seasonal and notable food occasions, as well as providing day-to-day ideas for those looking to bring great-tasting variety and enjoyment to their family mealtimes," she says. "Facebook and Instagram remain key channels for our target audience and we are continually testing new and interesting ways to engage with bread/bakery lovers everywhere."

As a predominantly B2B manufacturer, Facebook and LinkedIn are key channels for Baker & Baker in educating existing and potential customers about its product portfolio. In addition, as it has an exclusive licensing partnership with Mondelez to manufacture fresh bakery products under the Cadbury, Oreo and Milka brand names, Facebook remains a key channel to engage consumers across all of its European markets, says Lindsay.

According to St Pierre's Danby, social media is now an essential facet of any marketing strategy – particularly in food and drink because consumers are 'eating with their eyes' more than they ever did previously. "The visual appeal of food – whether it's in a retail or foodservice setting – is paramount and helps to drive sales," he says. "It also plays a pivotal role in connecting

consumers with your brands and, if used effectively, can place your brand front of mind when consumers are shopping. That is true of our brand, even though we don't have a direct-to-consumer aspect to our offering. Building a social media presence and engaging your buying audience is key to driving brand awareness – and brand awareness, along with consistent quality, is vital to help drive sales."

Future outlook

"We're hopeful that raw material inflation and availability issues will abate somewhat as we move into 2023, and thus stabilise prices for consumers, although in the short term at least we see continued inflationary pressure, and this along with uncertainty regarding longer term energy costs will undoubtedly have an ongoing impact on the cost of products for the end-consumer," says Baker & Baker's Lindsay. "Fresh bakery is an incredibly robust and resilient category and a critical one for supermarkets and the convenience channel alike. We are looking forward to introducing further NPD next year, across both our core range and especially through our licensing portfolio with Mondelez."

While the impact of the cost-of-living crisis will be felt for some time to come, the versatility of baked goods means there is an opportunity in bakery, says Baker Street's Corrigan. "Perceptions of value will be more important than ever, so offering products that can deliver for breakfast, lunch and dinner will appeal. Equally, with costs on the rise, reducing waste will be brought into focus for both retailers and shoppers. As people become more cost-conscious as we move into the new year, long-life products will carry added appeal."

The continued hunt for affordable treats will spur an ongoing trend towards premium products, says Hovis' Parlour. However, she notes that many shoppers will equally be looking to save money on their groceries and will make choices accordingly from the wide variety of bread types and formats available. "Bread continues to be a staple part of the nation's diet and an affordable way to feed a family,"

Premiumisation continues to play an important role in areas such as rolls, with premium rolls up 23% versus last year on the backdrop of a total rolls sub-category rise of 7% and standard rolls only rising by 3%[20], reveals St Pierre's Danby. "Premiumisation is going to continue well into 2023 and that's because bakery is not a high value sector," she says. "The difference between paying for a premium bakery product or a standard one, financially, is not significant, but over the past few years, consumers are more aware than ever of the difference an upgraded bakery staple will have on the overall quality of their home-cooked meals.

"This creates an opportunity for brands like ours, which are investing in marketing to build consumer awareness and trust in our brand quality, to drive sales year-round."

As the grocery industry moves towards 2023, it will be important to take into consideration the state of consumers' minds and their need for a sense of certainty in their lives. As Mintel points out in its 2022 Global Food and Drink Trends report, consumers will want to see trustworthiness and measurable progress on health, environmental and ethical commitments, and will seek clarity and transparency when it comes to food and drink categories and claims.

While the fiscal realities of the cost-of-living crisis will once again restrict out-of-home spending, consumers will still be seeking "joyful products that amplify the flavours, colours, textures and aromas and interactivity that food and drink can provide", says Mintel. In this sense, the bread & baked goods category is ideally placed to meet some (if not all) of those requirements, as suppliers can create affordable luxuries that will allow consumers to self-treat, as well as enabling them to enhance any at-home family gatherings or socialising.

In terms of health, the growing interest in flexitarian diets will continue to ramp up the demand for vegan bakery and healthier goods that use natural ingredients and avoid the use of allergens.

Finally, ongoing hybrid working will enable bread & baked goods suppliers to tap into meal and snacking occasions throughout the day, from crumpets, croissants and cobs at breakfast, for example, to bake-at-home items for lunch, cakes or teacakes for an afternoon break and different breads to accompany and enhance an evening meal. In short, the category faces a wealth of opportunities to tap over the coming months, and suppliers look ready to do just that.

Sources

[1] NielsenIQ Scantrack, Total Coverage, incl. discounters, 'Artisan' loaves defined as the sum total of Nielsen descriptors – artisan, bloomer, boule, cob rustic, deli-style – 12 wk rolling data to 13.08.22

[2] NielsenIQ Scantrack, Total Coverage, incl. discounters, Total pre-packaged bread loaves, unit sales, 52 w/e 10.09.22 vs 52 w/e 11.09.21

[3] NielsenIQ Scantrack, Total Coverage, incl. discounters, pre-packaged loaves by bread type, unitl sales 52 w/e 10.09.22 vs 52 w/e 11.09.21

[4+5] Baker Street & OnePoll Survey of 1,000 UK parents, October 2022

[6+7] IRI data for 12 w/e 07.05.22

[8+9] Nielsen Value Sales to 24.09.22

[10] Kantar profiles as quoted in Mintel' Attitudes Towards Healthy Eating', 2022

[11] NielsenIQ Scantrack, Total coverage incl. discounters, total pre-packaged brown/ wholemeal loaves, unti sales excl. private label, 52 w/e 10.09.22 vs 52 w/e 11.09.21

[12] Baker & Baker report, 'The Rise of the Flexitarian', in association with FMCG Gurus – Meat and Plant Based Protein Survey Q3 2020 and Q2 2022

[13-16] See 8+9

[17-19] See 6+7

[20] See 8+9

ARYZTA

Rising to speciality trends

DETAILS

ARYZTA
Grange Castle
Business Park
Clondalkin
Dublin 22.
w: aryztafoodsolutions.ie

KEY CONTACTS

Stuart Meikle
Commercial Director

KEY BRANDS

Aryzta

Bread is a staple within most UK households, with 73% consuming packaged bread/roll products at least once a week[1], reveals Aryzta. However, bread is no longer just seen as a convenient way to add substance to meals. Consumers are now recognising it as a way to add flavour, texture and nutrition too, demonstrated in the growing demand for fresh bread/roll products, with 70% consuming them at least once a week[2], it adds.

International bakery company Aryzta produces speciality breads for customers including Tesco, Co-op and Marks & Spencer, with Morrisons recently adding a selection of Aryzta's breads and rolls to its in-store fresh breads range to keep up with growing shopper demand.

Aryzta's Cheese and Jalapeño Loaf

Artisan appreciation

With the growth of in-home baking during lockdown came a greater appreciation for artisanal bakery, leading to higher demand for fresh, unprocessed and well-crafted bakery products, says the company. "With busy lives becoming the norm once more, the time to bake bread has faded, yet the appetite for specialist breads has remained," it notes.

Popular flavours in speciality breads include olive, seeing strong growth at +28%[3]; cheese-plus (cheese with another ingredient, such as jalapeño) is also in phenomenal growth, up 46%[4]; and sourdough, which accounts for almost 45% of spend in the category[5] or £1 in every £2 spent on in-store bakery speciality loaves[6], reveals Aryzta.

"Aryzta specialises in sourdough, honouring the elements for authentic production by using a live perpetual starter that has been grown and regenerated for over 30 years"

White sourdough now accounts for 27% of all speciality loaves and 61% of all sourdoughs[7], and continues to see steady growth. Meanwhile, brown sourdough is rising by 6%[8].

Sourdough specialists

Aryzta specialises in sourdough, honouring the essential elements for authentic production by using a live perpetual starter that has been grown and regenerated for over 30 years. "This gives the sourdough product its unique and recognisable flavour," it says. "Long fermentation and resting times mean Aryzta is able to produce authentic sourdough bread – both efficiently and in high volumes – while adhering to the highest food safety and quality standards. So, our customers get both traditional baking methods and the precise standardisation of modern manufacturing – the best of both worlds."

Aryzta recently invested in a new speciality bread manufacturing plant to double its capacity for premium sourdoughs. This allows it to create high-quality sourdough at scale and help its customers meet the growing demand for artisan-style products. It also enables Aryzta to create exciting new products to meet consumers' increasingly complex tastes.

Source
[1-8] IRI data for 12 w/e 07.05.22


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Baker & Baker Products

Realising vegan potential

DETAILS

Baker & Baker Products Ltd
Stadium Road
Bromborough
Wirral, CH62 3NU
t: 0151 343 1600
w: bakerandbaker.eu

KEY CONTACTS

Helen Sinclair
Marketing Manager UK

KEY BRANDS

Sweet bakery products, including cookies, doughnuts and muffins

In times of uncertainty, consumers look for a wholesome feeling of wellbeing and comfort, and this is where fresh bakery really comes into its own, says Baker & Baker. In-store fresh bakery products offer a genuine, affordable proposition for all consumer segments, and moments of pleasure that break up the daily routine.

And in a challenging, economic climate, in-store bakery provides an opportunity for retailers, particularly within convenience, to deliver impact in-store and develop an offering that creates stand-out and differentiation in the marketplace, it says.

"2023 could be a big year for vegan and fresh bakery," notes Baker & Baker. "Negative perceptions around taste have always been a barrier to entry for vegan products, but there are now credible options for consumers seeking a vegan alternative."

Earlier this year, the company launched its first vegan range of fresh bakery products in the UK. "Our UK offering builds on expertise derived from our portfolio in France and Germany, where vegan has been a readily accepted proposition for a number of years," it says.

Research undertaken by FMCG Gurus in conjunction with Baker & Baker demonstrates a clear correlation between an increase in flexitarian diets among UK consumers and demand for vegan products. "The stand-out finding is the continued rapid growth in flexitarians, with 34% of UK consumers saying they follow a diet around the avoidance or moderation of animal-based products, a rise on the 28% who stated that just two years earlier."

When asked what factors would encourage purchase of a sweet bakery product containing a vegan-friendly claim – not including dietary considerations, "being better for the environment", "containing fewer 'bad' ingredients" and "more natural/less processed ingredients" were the most common responses, it reveals. "However, concern over taste was the biggest factor likely to put consumers off purchasing products with a vegan-friendly claim, indicating that the key challenge is how to encourage trial of vegan sweet bakery products to overcome such misconceptions.

"Earlier this year, Baker & Baker launched its first vegan range of fresh bakery products in the UK market"

"Our UK vegan bakery range comprises a dark chocolate cookie, a dark chocolate and a blueberry muffin, and a pink velvet ring doughnut. Each of these products has delivered on presentation – a key consideration for fresh bakery – and taste, from both customers and consumers," it adds.

"For retailers, the range offers genuine convenience; the doughnut and muffins are simply thaw-and-serve, while the cookies can be easily baked from frozen. With a shelf life of between two and five days, the range allows customers to maximise product availability while minimising waste.

"Vegan bakery has the potential to offer clear differentiation and a specific offering for a growing consumer segment who choose a flexitarian diet without wanting to compromise on taste," it concludes.

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Baker & Baker
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Baker Street

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DETAILS
St Pierre Groupe Limited
2nd Floor, Kingston House
Towers Business Park
Wilmslow Road
Manchester M21 2LX
t: 0161 946 1355
e: enquiries@stpierregroupe.com
w: stpierregroupe.com

KEY CONTACTS
Jen Danby
Marketing Director
Josh Corrigan
Senior National Account Manager

KEY BRANDS
Baker Street

Baker Street is a brand sustaining growth, despite another year of challenging trading conditions. The brand is up across all time periods, rising 12% in the last four weeks[1], driven by additional major multiple distribution on its core ranges.

Josh Corrigan, senior national account manager at St Pierre Groupe, which owns the Baker Street brand, notes that the company's collaborative approach with retailers and shared insight are key to its success. "By working in collaboration with retailers to understand how to capture shoppers, combined with our own research and data, we've carved out a space for Baker Street on the shelves of major multiples while maintaining a stronghold in the convenience sector," he says.

"Retailers are conscious of waste – especially in bakery where it runs between 8% and 15%[2]. With consumers also now more waste-conscious than ever before as the cost-of-living rises, perceptions of value are top of mind. Baker Street's range of burger buns and hot dog rolls are long-life, so it's a win-win for both retailers and shoppers. But they're also versatile, lending themselves to multiple meal occasions and thus delivering added value. That's partly why we've increased our distribution with the major multiples this year and why the range's sales are up 23% year on year[3]."

The Baker Street portfolio also includes a range of Sliced Breads, which are growing in line with the market – up 1% in the last 52 weeks[4]. However, Baker Street's sliced bread sales in the wholesale sector are noteworthy, up 35% on last year[5].

"Baker Street's burger buns and hot dog rolls are long-life, so it's a win-win for increasingly waste-conscious retailers and consumers"

Corrigan continues: "Baker Street is a brand that grew in the convenience sector before moving into the major multiples. Maintaining availability and driving down waste is even more important in the context of wholesale, which explains why the brand performs so well for our wholesale partners."

In 2022, the brand increased its marketing spend once again, with out-of-home advertising, consumer advertising and PR, as well as revamping its approach to social media.

This year, the long-life bakery leader also extended its successful seasonal range, sales of which increased by more than 30%[6] in 2021. With increased distribution secured through Tesco, Co-op and Asda stores for 2022, along with new distribution via the wholesale channel, the brand is set for another fruitful festive period, says Corrigan.

"Products that offer something new will always be popular. Bolstered by the new major multiple listings and increased marketing activity, driving awareness up 14%[7] in the brand's latest consumer read, Baker Street's outlook for 2023 is positive."

Source
1 Nielsen Value Sales to September 24th 2022
2 Anecdotal retailer feedback
3+4 Nielsen Value Sales to 24.09.22
5 Internal sales data to end of September 2022
6 Internal sales data
7 Strategy & Bread and Baked Goods Survey, June 2022

St Pierre Groupe

Pushing its premium message

DETAILS

St Pierre Groupe Limited
2nd Floor, Kingston House
Towers Business Park
Wilmslow Road
Manchester
M21 2LX
t: 0161 946 1355
e: enquiries@stpierregroupe.com
w: stpierregroupe.com

KEY CONTACTS

Jen Danby
Marketing Director
Josh Corrigan
Senior National Account Manager

KEY BRANDS

St Pierre

St Pierre, the European bakery and brioche specialist, has continued its upward trajectory this year. In the UK alone, the brand is seeing growth of 72% year on year[1]. It retains the title of No.1 brioche brand in the US and the UK[2] and, this year, was voted by consumers as the UK's best-tasting brioche[3], reveals Jen Danby, marketing director at St Pierre Groupe, which owns the brand.

This year the brand has deepened its UK distribution via increased listings with Tesco, Sainsbury's and Morrisons and securing space on-shelf at Asda, he reveals. The brand's core range of products includes Brioche Burger Buns, Seeded Brioche Burger Buns, Brioche Hot Dog Rolls and Sliced Brioche Loaf. The brand also offers Brioche Baguettes and this year launched Brioche Bagels.

"Bagels is a sub-sector that has enjoyed sustained growth for the past two years," says Danby. "That's why, this year, we launched our Brioche Bagel. It's perfect for classic bagel dishes like smoked salmon and scrambled egg, but it works equally well as a carrier for a burger and we've developed recipes to showcase the product as a dessert. By cross-selling with different meal occasions, we are delivering on 'value' for shoppers."

The brand has also increased distribution on its Sliced Brioche Loaf – a premium product to upgrade at-home meals. "Previously, shoppers were elevating their meals at home because they couldn't travel or dine out in the pandemic," continues Danby. "Now that the cost of living is on the up, consumers are still looking to treat themselves well at home. Eating better-quality food and entertaining guests at home is still more cost-effective than going out. Anything that saves shoppers time and provides an easy solution for entertaining at home is doing well.

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"There's a real opportunity for retailers to inspire shoppers and provide affordable luxuries at a time when they are – economically speaking – more discerning," she adds. "It's about delivering 'perceived' value. Most shoppers don't assess value just from the price tag – especially in food; they look at the quality, authenticity and versatility of products across different meal occasions. That's why St Pierre is performing so well.

"Rolls, as a sub-category, is growing but this is being driven by premium offerings, which now account for 24%[4] of the total value of the sub-category," reveals Danby. "Premiumisation is going to continue well into 2023. The difference between paying for a premium bakery product or a standard one, financially, is not significant, but now consumers are more aware than ever of the difference an upgraded bakery staple will have on the overall quality of their home-cooked meals.

"This creates an opportunity for brands like ours, which are investing in marketing to build consumer awareness and trust in our brand quality, to drive sales year-round."

Source
[1] Nielsen Value Sales to 04.09.22
[2] Nielsen Value Sales (UK and US foods) to June 2022
[3] Independent UK hall tests, January 2022
[4] Nielsen Value Sales to 24.09.22

NUMBER ONE

- Growth of 72% YoY*
- Driving growth in morning goods +26%*
- NPD to help deliver category growth
- No.1 brioche brand in the UK & USA
- UK's best-tasting brioche**
- Driving growth in rolls +83%*

ENQUIRIES@STPIERREGROUPE.COM

*Nielsen Value Sales w/e 24th Sept L52 weeks **Consumer sensory hall tests Jan 2022, St Pierre vs. UK competitor brands and private label (brioche burger bun & brioche loaf), N = 202

WilliamReed.

William Reed LTD.
Broadfield Park, Crawley, West Sussex RH11 9RT
Tel: 01293 613400 Fax: 01293 610380
www.thegrocer.co.uk