

Cheese - UK - October 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The ending of milk quotas post-2015 should bring challenges and opportunities for the market, particularly for British brands. Meanwhile, openness to new formats and trading consumers into territories should help build category value.”

– Richard Ford, Senior Food and Drink Analyst

This report looks at the following areas:

- Leading brands look to grow usage of territorial cheese through snacking
- Marked openness to new formats of cheese
- Ending of EU milk quotas in 2015 does not bode well for British cheddar makers

Purchased by the vast majority of consumers, cheese remains a staple item in the nation's shopping basket. The retail cheese market is expected to see value growth accelerate in 2014, taking sales to over 2 billion. Volume is anticipated to continue to decline, falling faster than in 2013. While rising prices have propped up value growth, they have dampened volumes.

The nation's preference for cheddar continues, although the segment's market share is expected to fall in 2014, whilst the processed and recipe cheese segments grow.

Whilst advertising spend fell by a third in 2013, key operators continue to innovate, with Cathedral City launching into spreadable cheddar (January 2014) and Mondelēz launching a new format of cheese, Duo Cremoso (summer 2014). Recent price rises have, however, benefited own-label cheese, with brands losing share in the market in 2013/14.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Cheese - UK - October 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Introduction

Definition

Abbreviations

Executive Summary

The market

Figure 1: UK retail value sales of cheese, by type, 2012-14

Forecast

Figure 2: Retail value sales of the UK cheese market*, 2009-19

Market factors

Phasing out of EU milk quotas is expected to see a rise in imports

One in five interested in lower-salt cheese

Differing trends in mild and mature wholesale prices

Companies, brands and innovation

Own-label accounts for over half of the UK retail cheese market

Figure 3: Leading manufacturers' shares in the UK cheese market, by value, 2013/14*

Brands gain share of new launches in 2013

Total adspend falls by a third

The consumer

Cheese enjoys almost universal purchase

Figure 4: Purchase of cheese, by type, July 2012 and July 2014

Usage of cheese on toast falls since 2012

Figure 5: Usage of cheese, by occasion, July 2012 and July 2014

Two thirds would switch, buy less or stop buying if the price of their favourite cheddar rose

Figure 6: Consumer reactions to a 10% rise in the price of their favourite branded cheddar, July 2014

Just one in five cheese users think non-processed cheese is made from all-natural ingredients

Figure 7: Attitudes towards cheese, July 2014

Coated, marinated and non-European cheeses all spark consumers' interest

Figure 8: Interest in cheese product concepts, July 2014

What we think

Issues and Insights

Leading brands look to grow usage of territorial cheese through snacking

The facts

The implications

Marked openness to new formats of cheese

The facts

The implications

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Cheese - UK - October 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Ending of EU milk quotas in 2015 does not bode well for British cheddar makers

The facts

The implications

Trend Application

Trend: Extend My Brand

Trend: Fauxthenticity

Trend: Sense of the Intense

Market Drivers

Key points

Abolition of EU milk quotas set to bring opportunities and threats

Mild cheddar wholesale prices down 13% year on year

Figure 9: UK wholesale prices of mature and mild cheddar January 2012-August 2014

Cheese criticised for being high in salt

Changes to school lunches represent a threat to kids' cheese brands' sales

Slower growth in 15-34s and 0-4s may affect usage of cheese

Strengths and Weaknesses

Strengths

Weaknesses

Who's Innovating?

Key points

Brands and own-label hold equal share of new launches in 2013

Figure 10: New product launches in the UK cheese market, by private label and brands, 2010-14

Sliced cheese sees 'better value' and 'value-added' launches

Aldi sees fastest growth in new launches in 2013

Figure 11: New product launches in the UK cheese market, by top 10 companies, 2010-14

The mature segment garners interest across the board

Figure 12: New product launches in the UK cheese market, by top 10 flavour components, 2010-14

Brands turn to blue cheese to add a point of difference

'Premium' cheeses account for one in 10 new launches in 2013

Figure 13: New product launches in the UK cheese market, by top 12 claims in 2013, 2009-14

Market Size and Forecast

Key points

2014 sees volume sales decline and value growth accelerate

Figure 14: Retail value and volume sales of the UK cheese market, 2009-19

Forecast

Figure 15: Retail value sales of the UK cheese market, 2009-19

Figure 16: Retail volume sales of the UK cheese market, 2009-19

Forecast methodology

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Cheese - UK - October 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Segment Performance

Key points

Despite losing market share, cheddar clings on to 50% of the market

Figure 17: UK retail value and volume sales of cheese, by type, 2012-14

Mild is the only cheddar type to see volume growth in 2014

Figure 18: UK retail value and volume sales of cheddar, by type, 2012-14

Market Share

Key points

Own-label outperforms the market in sales growth in 2013/14

Figure 19: Leading manufacturers' shares in the UK cheese market, by value, 2013/14*

Cathedral City smashes through the £300 million mark

Figure 20: Leading brands in the UK cheese market, by value and volume, 2011/12-2013/14

Other major cheddar brands struggle

Philadelphia suffers sales drop ahead of revamp

Companies and Products

Adams Foods

Background

Product range and innovation

Recent activity and promotion

Bel UK

Background

Product range and innovation

Recent activity and promotion

Dairy Crest Group

Background

Product range and innovation

Recent activity

Mondelēz UK

Background

Product range and innovation

Recent activity and promotion

Lactalis McLelland

Background

Product range and innovation

Recent activity and promotion

Wyke Farms

Background

Product range and innovation

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Cheese - UK - October 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Recent activity and promotion

Brand Advertising, Perceptions and Social Media

Key points

Brand Advertising

Total adspend falls by a third in 2013

Figure 21: Total advertising spend in the UK cheese market, 2010-14

Bel UK overtakes Mondelēz to become biggest advertiser in 2013

Figure 22: Advertising expenditure in the UK cheese market, by top five advertisers, 2010-14

Less spend on other kids' brands and mature cheddar

Figure 23: Advertising expenditure in the UK cheese market, by top five brands, 2010-14

Figure 24: Advertising expenditure in the UK cheese market, by top five media types, 2010-14

Continental enjoys highest ad support

Figure 25: Advertising expenditure in the UK cheese market, by product type, 2010-14

Brand perceptions

Key brand metrics

Figure 26: Key brand metrics, August 2014

Brand map

Figure 27: Attitudes towards and usage of brands in the cheese sector, August 2014

Correspondence analysis

Brand attitudes

Figure 28: Attitudes, by cheese brand, August 2014

Brand personality

Figure 29: Cheese brand personality – macro image, August 2014

Figure 30: Cheese brand personality – micro image, August 2014

Brand usage

Figure 31: Cheese brand usage, August 2014

Brand experience

Figure 32: Cheese brand experience, August 2014

Social Media and Online Buzz

Social Media Metrics

Figure 33: Social media metrics of selected cheese brands, September 2014

Online mentions

Figure 34: Brand share of conversation around cheese brands, 1 September 2013-30 August 2014

Topics of discussion

Figure 35: Topics of discussion around selected cheese brands, 1 September 2013-30 August 2014

Where discussion occurs

Figure 36: Online conversation of cheese brands, by page type, 1 September 2013-30 August 2014

Analysis by brand

Figure 37: Topic cloud around mentions of Wyke Farms, 1 September 2013-30 August 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
 EMAIL: reports@mintel.com

Cheese - UK - October 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 38: Topic cloud around mentions of Philadelphia, 1 September 2013-30 August 2014

Figure 39: Topic cloud around mentions of Dairy Lea, 1 September 2013-30 August 2014

Figure 40: Topic cloud around mentions of Babybel, 1 September 2013-30 August 2014

Figure 41: Topic cloud around mentions of Cathedral City, 1 September 2013-30 August 2014

Figure 42: Topic cloud around mentions of Anchor Cheddar, 1 September 2013-30 August 2014

The Consumer – Purchase Habits

Key points

Cheese purchasing is near-universal

Figure 43: Purchase of cheese, by type, July 2012 and July 2014

Spreadable gets big brand support in 2013/14

Over-55s less likely to buy processed, spreadable or snacking cheese

Figure 44: Purchase of processed, Spreadable and Mini portions/Snack pack cheese, by age, July 2014

Younger consumers less likely to buy regional cheeses

Two thirds would switch, buy less or stop if the price of their favourite cheddar rose

Figure 45: Consumer reactions to a 10% rise in the price of their favourite branded cheddar, July 2014

The market suffers from low brand loyalty

Own-brand benefits from switching

The Consumer – Cheese Usage by Occasion

Key points

Sandwiches remain the preferred way to eat cheese

Figure 46: Usage of cheese, by occasion, July 2012 and July 2014

Usage of cheese on toast falls between 2012 and 2014

Scope to grow cheese as a dessert ingredient amongst over-55s

Cheese brands look to boost use in cooking

The Consumer – Attitudes towards Cheese

Key points

No preference between British and Irish cheddar say half of cheese users

Figure 47: Attitudes towards cheese, July 2014

Few see non-processed cheese as having all-natural ingredients

Scope for cheddar brands to extend further into savoury snacking

One in five interested in lower-salt version of their favourite cheese

Cheese is seen as a good source of protein by 45% of eaters/buyers

The Consumer – Interest in Cheese Product Concepts

Key points

Two in five interested in coated cheeses

Figure 48: Interest in cheese product concepts, July 2014

Cheeses from non-European countries would add interest to the fixture

Marinated cheese appeals to more than one in four

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com

Cheese - UK - October 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Scope for cheddar brands to extend into bread products

Appendix – Market Drivers

Figure 49: Trends in the age structure of the UK population, 2009-19

Appendix – Who's Innovating?

Figure 50: New product development in the UK cheese market, by product format, 2010-14

Appendix – Market Size and Forecast

Figure 51: Best- and worst-case forecasts for the UK cheese market, by value, 2014-19

Figure 52: Best- and worst-case forecasts for the UK cheese market, by value, 2014-19

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com