

In-store Bakeries - US - March 2013

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"A growing movement that calls for consumers to limit their intake of a number of key food ingredients thought to be harmful to one's health threatens in-store bakery sales. However, bakeries have the opportunity to respond with better-for-you alternatives that cater to consumers' demand for both health and indulgence."

– Sarah Day Levesque, Food Analyst

In this report we answer the key questions:

- How can in-store bakeries grow despite already high penetration?
- How can the category respond to demand for healthier food products?
- How will more food regulations affect in-store bakeries?

The in-store bakery category continued its steady growth in 2012 with 5.6% growth in sales, topping off 27.5% growth in the five-year period from 2007-12. Despite this steady growth and a very high (86%) percentage of consumers who have used in-store bakeries in the past year, estimates indicate that the average household spends just \$105 per year at in-store bakeries, or roughly \$2 a week. This suggests there is room for growth in the frequency of household usage of in-store bakeries. In-store bakery retailers have a unique opportunity to cater to consumer demands in ways that other grocery store food categories can't and ultimately capture more sales. Fresh and artisanal products, convenient packaging, breakfast solutions, and better-for-you indulgences all provide opportunities for in-store bakeries to appeal to a larger consumer group and increase purchase occasions.

Among the topics covered in this report are:

- What is driving the in-store bakery market as well as the current market size and future projections?
- How can in-store bakeries balance trends in healthy eating and concerns over obesity with indulgent product offerings to grow sales in the category?
- How are in-store bakeries marketing their products and services and what strategies are proving most effective?
- What factors influence consumer behavior and what matters most to in-store bakery consumers?

This report builds on the analysis presented in Mintel's *In-Store Bakeries—U.S., August 2012* and the August 2010, August 2009, August 2008, and July 2007 reports of the same title.

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DID YOU KNOW?

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

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How can the category respond to demand for healthier food products?

How will more food regulations affect in-store bakeries?

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