Growing the success of Irish food & horticulture
Key Bakery Themes

Category Growth
Alternative Solutions
Shifting Patterns
Lack of Innovation
The Liquid Shopper
Health Agenda
Fresh & Natural
Education Needed
Category Primed for Growth.....but

- 2%+ value growth expected for the category but......

- Issues around health and health perceptions of category will severely dent this if not managed.

- Disproportionate share of category and future growth likely to go towards unbranded/own label solutions if relevant solutions and dialogue are not championed by brands.
Bread and Morning Goods Market Value Snapshot – Ireland

Total Value of Bread and Morning Goods Market (Jan 2013 - Jan 2014)

€ 393,338m

Value (Yoy) 3.7%

Volume (Yoy) 2.1%

Source: Kantar/Canadean

Growth Forecasts: average year-over-year growth in the next three years

- Bread and Rolls: +2.2% Per annum
- Morning Goods: +2.9% Per annum

Market Value Share By Sector

- Bread: 78%
- Morning Goods: 22%
Category Growth

Bread and Morning Goods Market Value Snapshot – UK

Total Value of Bread and Morning Goods Market (Feb 2013 - Feb 2014)

£ 4,151,500m

Value (Yoy) 3.8%

Volume (Yoy) 0.5%

Market Value Share By Sector

45% Bread
55% Morning Goods

Growth Forecasts: average year-over-year growth in the next three years

+3% Per annum Bread and Rolls
+3% Per annum Morning Goods

Source: Kantar/ Canadean / The Grocer
What’s In the Bread Bin? – Top 5 Purchases

Types of baked goods purchased for the household:

<table>
<thead>
<tr>
<th>Type of Baked Good</th>
<th>Regularly (at least weekly)</th>
<th>Occasionally (at least quarterly)</th>
<th>Less often or never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged sliced pan</td>
<td>19%</td>
<td>43%</td>
<td>48%</td>
</tr>
<tr>
<td>French breads - Baguettes</td>
<td>11%</td>
<td>14%</td>
<td>43%</td>
</tr>
<tr>
<td>Soda/stoneground bread</td>
<td>71%</td>
<td>25%</td>
<td>44%</td>
</tr>
<tr>
<td>Wraps</td>
<td>45%</td>
<td>37%</td>
<td>26%</td>
</tr>
<tr>
<td>Rolls/ Buns / Baps</td>
<td>48%</td>
<td>25%</td>
<td>49%</td>
</tr>
<tr>
<td>Packaged sliced loaf</td>
<td>18%</td>
<td>33%</td>
<td>43%</td>
</tr>
<tr>
<td>Rolls/ Buns / Baps</td>
<td>9%</td>
<td>23%</td>
<td>57%</td>
</tr>
<tr>
<td>French breads/Baguettes</td>
<td>43%</td>
<td>23%</td>
<td>29%</td>
</tr>
<tr>
<td>Unsliced loaf/ bloomer/ Wraps</td>
<td>57%</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Base: All Grocery Shoppers N=1,000; England N=1,000
What factors consumers consider

Which of the following factors do you take into account when deciding which bread and baked goods to buy?

**Top Priorities**
- Freshness: 86%
- Taste/Flavour: 77%
- Price: 73%
- Healthy: 59%

**Secondary Attributes**
- Family preference: 47%
- High fibre content: 42%
- Whether it is sliced or unsliced: 41%
- Made in Ireland: 41%
- From a brand I trust: 40%
- Suitability to a specific meal or sandwich filling: 38%
- Long sell- or use-by date: 33%
- Habit – it is what I've always bought: 29%
- Locally baked (i.e. close to where I live): 27%
- Available in smaller pack sizes: 22%
- Made from ingredients sourced in Ireland: 19%
- Added functional ingredients (e.g. Omega-3, calcium): 16%
- Gluten-free: 9%

Freshness, taste and price are the top three most important drivers of bread choice with the health aspect just behind them.

Base: All Grocery Shoppers Ireland N=1,000
What factors consumers consider

Which of the following factors do you take into account when deciding which bread and baked goods to buy?

<table>
<thead>
<tr>
<th>Top Priorities</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshness</td>
<td>86%</td>
</tr>
<tr>
<td>Taste/ Flavour</td>
<td>81%</td>
</tr>
<tr>
<td>Price</td>
<td>75%</td>
</tr>
<tr>
<td>Healthy</td>
<td>51%</td>
</tr>
<tr>
<td>From a brand I trust</td>
<td>51%</td>
</tr>
<tr>
<td>Whether it is sliced or unsliced</td>
<td>51%</td>
</tr>
<tr>
<td>Family preference</td>
<td>46%</td>
</tr>
<tr>
<td>Long sell- or use-by date</td>
<td>45%</td>
</tr>
<tr>
<td>Suitability to a specific meal or sandwich filling</td>
<td>43%</td>
</tr>
<tr>
<td>Habit – it is what I’ve always bought</td>
<td>34%</td>
</tr>
<tr>
<td>High fibre content</td>
<td>33%</td>
</tr>
<tr>
<td>Made in England</td>
<td>25%</td>
</tr>
<tr>
<td>Locally baked (i.e. close to where I live)</td>
<td>24%</td>
</tr>
<tr>
<td>Available in smaller pack sizes</td>
<td>23%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secondary Attributes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Made from ingredients sourced in England</td>
<td>16%</td>
</tr>
<tr>
<td>Added functional ingredients (e.g. Omega-3, calcium)</td>
<td>10%</td>
</tr>
<tr>
<td>Gluten-free</td>
<td>6%</td>
</tr>
<tr>
<td>Other, specify:</td>
<td>2%</td>
</tr>
</tbody>
</table>

Base: All Grocery England N=1,000
## The Role of Branding and Loyalty in the Category

When it comes to the brand of bread you buy most often, which of the following best describes what you do?

<table>
<thead>
<tr>
<th>Option</th>
<th>Ireland</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>I almost always buy the same brand, my favourite one</td>
<td>39%</td>
<td>42%</td>
</tr>
<tr>
<td>I tend to switch from my main brand if another brand is on special offer</td>
<td>30%</td>
<td>33%</td>
</tr>
<tr>
<td>I have a couple of favourite brands I like and usually buy one of them</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>I buy whatever bread is on special offer, no matter what brand that is</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

You mentioned that you buy a supermarket own brand bread, which of the following best describes the reasons why?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Ireland</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>The quality is comparable with well-known brands</td>
<td>57%</td>
<td>61%</td>
</tr>
<tr>
<td>The taste is similar to a well-known bread brand</td>
<td>38%</td>
<td>27%</td>
</tr>
<tr>
<td>I only buy it because it’s cheaper</td>
<td>37%</td>
<td>30%</td>
</tr>
<tr>
<td>I’d prefer buying a well-known brand of bread but I simply can’t afford it</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>Other, (specify)</td>
<td>5%</td>
<td>12%</td>
</tr>
</tbody>
</table>

*Base: All Grocery Shoppers N=1,000; England N=1,000*

*Base: Grocery Shoppers who buy own brand bread ROI N=265; ENG N=278*
Eroding personal permission to consume bread and baked goods. Driven by health concerns and also rise in alternative solutions within the category. Moving towards a broader based repertoire overall but with this shoppers need assistance. Assistance in discovering new varieties. Assistance in understanding how and when to use (occasions and ideas).

41%
Buying a wider variety of baked goods overall, while also actively reducing white bread consumption.
Guilty Pleasure with no Safe Haven Consumption Occasion

Most people identify with negative health dimensions of bread (white in particular), yet many rely on it across multiple regular occasions.

Despite weekend brunch and relaxed more treat occasions, there are minimal safe zones to consume bread in peoples daily routine without feeling guilty and overly cautious.

55% feel guilty about eating white bread

Everyday bread as a category needs to give permission to people to eat bread without feeling guilty or remorseful across a range of regular occasions (particularly white bread).
### Consumer Behaviour Changes

**Thinking of the last 12 months have you done any of the following?**

<table>
<thead>
<tr>
<th>Action</th>
<th>Ireland</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>I cut down on white bread completely and ate other types of bread instead for a period of time</td>
<td>58%</td>
<td>44%</td>
</tr>
<tr>
<td>I am currently buying more variety of baked goods for the household than I did a year ago</td>
<td>41%</td>
<td>39%</td>
</tr>
<tr>
<td>I baked my own bread at home from scratch</td>
<td>37%</td>
<td>31%</td>
</tr>
<tr>
<td>I reduced the amount of bread I buy for the household</td>
<td>36%</td>
<td>34%</td>
</tr>
<tr>
<td>I stopped eating bread entirely for some a period of time</td>
<td>26%</td>
<td>19%</td>
</tr>
<tr>
<td>I purchased gluten-free or wheat-free baked goods either for myself or a family member</td>
<td>25%</td>
<td>19%</td>
</tr>
</tbody>
</table>

*Base: All Grocery Shoppers N=1,000; England N=1,000*
Variety Seeking Behaviour among key pockets

- **Routine fatigue**: bread and baked goods purchase and consumption for most is burdensome and dull.

- People need the functional benefits of reliable solutions for everyday occasions but are still seeking excitement in the trial and pursuit of new varieties where possible.

- It’s the newness that appeals not the bread which happens to be new (e.g. excitement around porridge bread).

- This is a phenomenon that is more anchored in young professionals and slightly more affluent shoppers predominantly.

41% of baked goods for the household than a year ago.

“It’s doing the lotto – the joy is in the hope of what might be…..”

People want constant variety to avoid monotony. For everyday purchases it’s about subtle surprise that doesn’t erode functional benefits and for more treat occasions it’s about experimentation and recipe ideas.
Almost half of all shoppers are changing their baked goods category spend over the past 12 months. Almost equal proportions are increasing and decreasing spend. This is a strong indication of the change and shifting patterns of behaviour that are occurring in the category. This flux can be viewed as an opportunity or threat but represents a sizable space for disruption in the category where winners and losers will be made.

47% Have changed their level of spend in the category in the past 12 months.
What has changed over the past 12 months

Thinking of how much money you spend on bread and baked goods which of the following best applies to you?

Ireland - 20% Spending More on Bread

England - 30% Spending More on Bread

Ireland - 27% Spending Less on Bread

England - 21% Spending Less on Bread

Base: All Grocery Shoppers N=1,000; England N=1,000
High volume of baked goods purchased for every day are planned and routine (but can be easily swayed within the category to substitute).

In the category there is poor inspiration and innovation to capitalise on the opportunity to guide decision making.

Supermarket own brand and private label are the dominant brands.

There is a need to re-inject energy and enthusiasm in store if brands are to win.

Brand is currently the 9th most influential factor in the decision making process for baked goods.

More than 6 in 10 can’t recall any innovation in the category.
### Impulse or Planned Purchase - Ireland

When shopping for bread or baked goods which of the following statements apply to you?

- I typically plan my purchases in advance
- I typically buy them on impulse

<table>
<thead>
<tr>
<th>Baked Goods</th>
<th>Impulse Buy</th>
<th>Planned Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged sliced pan</td>
<td>89%</td>
<td>11%</td>
</tr>
<tr>
<td>Soda/stoneground bread</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>Wraps</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>Flatbreads</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>Bake at home breads</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>Batch Pan</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>Slim breads</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>Rolls/Buns/Baps</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>French breads - baguettes</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>Unsliced loaf/bloomer</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>Bagels</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>Fruit loaves</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Waffles and pancakes</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Italian breads</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>Sweet morning goods</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>Scones</td>
<td>33%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Baked goods closely related to snacking and treating behaviours are typically purchased on impulse indicating opportunities to leverage these occasions through in-store engagement.

Base: All Grocery Shoppers Ireland N=1,000
### Impulse or Planned Purchase - England

When shopping for bread or baked goods which of the following statements apply to you?

- Impulse or Planned Purchase

<table>
<thead>
<tr>
<th>Category</th>
<th>More likely to be planned purchase</th>
<th>More likely to be impulse buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged sliced pan</td>
<td>81%</td>
<td>19%</td>
</tr>
<tr>
<td>Rolls / Buns / Baps</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>Wraps</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>Flatbreads</td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td>Unsliced loaf / bloomer</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Slim breads</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>Bake at home breads</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>Soda / stoneground bread</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>French breads</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Batch Pan</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Bagels</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Fruit loaves</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>Italian breads</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>Waffles and pancakes</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>Sweet morning goods – e.g.</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>Scones</td>
<td>28%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Base: All Grocery Shoppers England N=1,000
What inspires and attracts the customer’s attention

Have you noticed anything interesting/ impressive/ innovative in the bread/baked goods category in the last 12 months?

- Those who noticed something: 38%
- Those who did not notice anything: 62%

- Those who noticed something: 36%
- Those who did not notice anything: 64%
NPD Opportunities

Which of the following potential new products in the bread and baked goods category would you like to see more of on shelves? Please select the ones that would appeal to you most?

Base: All Grocery Shoppers N=1,000; England N=1,000
New product trial

What would make you more likely to buy a new type/variety of bread/baked goods that you haven’t tried before?

- Getting a sample to taste: 52% (49%)
- On special offer: 49% (47%)
- Reduced price: 47% (44%)
- Small trial packages available to purchase: 45% (41%)
- Looks freshly baked: 40% (40%)
- Added health benefits: 24% (34%)
- Well presented in store: 30% (25%)
- Contains ingredients that I have heard good things about: 18% (28%)
- From a brand I trust: 23% (24%)
- Made from ingredients sourced in Ireland: 14% (20%)
- Accompanied with serving suggestions/recipes (what the bread goes with): 16% (12%)
- If I was shown how it is made: 9% (7%)

Base: All Grocery Shoppers N=1,000; England N=1,000
The Shopper is not Fixed

- Shoppers are characterised by a desire for weekday convenience and weekend experience.
- The category needs to understand this and tailor not only solutions but also messaging.
- When speaking to the same target, they are likely to want something entirely different from the category depending upon the time of day or week.
- Suppliers need to have the correct conversations at the correct time so that they are aligned with what shoppers are actually seeking at that moment.

Circa 20%

Fall in white sliced pan consumption at the weekend with rise in more artisan options
**Eating Baked Goods By Mealtime - Ireland**

### Weekdays

- **Breakfast**: 8.00am - 10.00am
  - 71% of consumers eating any baked goods

- **Lunch**: 12.00pm - 14.00pm
  - 82% of consumers eating any baked goods

- **Dinner**: 6.00pm - 8.00pm
  - 55% of consumers eating any baked goods

### Weekend

- **Breakfast**: 8.00am - 10.00am
  - 62% of consumers eating any baked goods

- **Lunch**: 12.00pm - 14.00pm
  - 55% of consumers eating any baked goods

- **Dinner**: 6.00pm - 8.00pm
  - 42% of consumers eating any baked goods

### Most Popular Baked Goods:

- **Weekdays**
  - Sliced Pan (67%)
  - Soda/stoneground (28%)
  - Loaf/ Bloomer (8%)
  - Croissants/Pastries (8%)
  - Scones (7%)

- **Weekend**
  - Sliced Pan (53%)
  - Soda/stoneground (26%)
  - Baguettes (13%)
  - Croissants/Pastries (11%)
  - Loaf/ Bloomer (10%)

- **Breakfast**
  - Sliced Pan (52%)
  - Baguettes (25%)
  - Wraps (24%)
  - Soda/ stoneground (24%)
  - Rolls/ Buns/ Baps (18%)

- **Lunch**
  - Sliced Pan (52%)
  - Baguettes (25%)
  - Wraps (24%)
  - Soda/ stoneground (24%)
  - Rolls/ Buns/ Baps (18%)

- **Dinner**
  - Sliced Pan (37%)
  - Baguettes (29%)
  - Rolls/ Buns/ Baps (17%)
  - Wraps (17%)

- **Breakfast**
  - Wraps (38%)
  - Flatbreads (e.g. Pitta bread/ naan) (26%)
  - Baguettes (23%)
  - Rolls/ Buns/ Baps (13%)
  - Sliced Pan (11%)

- **Lunch**
  - Wraps (38%)
  - Flatbreads (e.g. Pitta bread/ naan) (26%)
  - Baguettes (23%)
  - Rolls/ Buns/ Baps (13%)
  - Sliced Pan (11%)

- **Dinner**
  - Wraps (38%)
  - Flatbreads (e.g. Pitta bread/ naan) (26%)
  - Baguettes (23%)
  - Rolls/ Buns/ Baps (13%)
  - Sliced Pan (11%)

**Less sliced pan and more variety at weekends**

**More variety or moving to other meal options at weekends**

**Sliced pan replaced by wraps, baguettes and flatbreads**

*Base: All Participants N=1,000*
Eating Baked Goods By Mealtime - England

% of consumers eating any baked goods

Weekdays | Weekend
---|---
60% | 59%
78% | 60%
60% | 48%

Most Popular Baked Goods:

**Breakfast**
- Sliced Pan (70%)
- Loaf/ Bloomer (17%)
- Croissants/ Pastries (13%)
- Bagels (11%)
- Waffles/ pancakes (9%)

**Lunch**
- Sliced Pan (56%)
- Loaf/ Bloomer (20%)
- Croissants/ Pastries (17%)
- Bagels (11%)
- Waffles/ pancakes (11%)
- Rolls/ Buns (11%)

**Dinner**
- Sliced Pan (54%)
- Rolls/ Buns/ Baps (34%)
- Wraps (19%)
- Baguettes (17%)
- Loaf/ Bloomer (16%)

- Sliced Pan (43%)
- Rolls/ Buns/ Baps (28%)
- Wraps (15%)
- Baguettes (24%)
- Loaf/ Bloomer (17%)

- Flatbreads (e.g. Pitta bread/ naan) (35%)
- Wraps (29%)
- Baguettes (27%)
- Sliced Pan (23%)
- Rolls/ Buns/ Baps (20%)

Less sliced pan, more variety and sweet baked goods at weekends

Switching to other meal options at weekends

Sliced pan replaced by wraps, baguettes and flatbreads

Base: All Participants N=1,000
Base: Those eating baked goods for a given mealtime
Weekday Convenience & Weekend Experience

**Weekday**

- Busy during the week – less time; more of a functional task and seeking to primarily satisfy a lower order physiological need for sustenance rather than taste and enjoyment.
- Quick and practical solutions which are familiar, convenient and good value sought.
- Becomes routine, repetitive and boring – being able to inject excitement as an additional benefit, while not compromising on the convenience or value needs, would be welcome.

**Weekend**

- Weekend brings more time for most and means there is less rushing – seeking more enjoyment and reward after a week of hard work.
- Experiential, exploratory and more sophistication consumption occasions and needs sought to be catered for.
- More experiential and sensory stimulating solutions which are different to the norm (purchase and consumption).
- Value is important but willing to pay premium for the experience and variety.

The needs of the same individuals shift considerably in terms of what they seek from the bakery category from mid week to weekend.
In Store Experience

Category Management: Key Success Factors

Well stocked: neat and tidy, no sparse shelves and good selection

Clean and hygienic: particularly for unwrapped baked goods.

Odour: fresh and homely (ideally smell of freshly baked)

Provenance cues: wood, baskets, parchment, cloth etc. to build theatre and perception of natural goodness.

Category info: ideas and information – currently quite poor in store.

Shopper Behaviour: On the front lines

The squeeze: importance of touch and texture, with most shoppers testing softness before selecting.

Hidden choice is best: Never take from the front is the mantra of shoppers as they feel others have done “the squeeze” and retailers stock freshest to the back.

Uncovered bread: considered ok for individuals themselves or staff to touch but not others.

Care in transit: bread placed carefully in trolley/basket to avoid damage to carefully selected item.
Online Category Management

- Online grocery shopping in England has 3 times the population reach than in Ireland (Periscope 2013).

- Buying fresh produce of any nature, including baked goods online has different challenges than in bricks and mortar stores.
  - Freshness cues.
  - Variability in batches and across days.
  - Selection of “best” bread rather than any bread.

- Online baked goods face new challenges which need to be considered when selling online to shoppers.

As online grows in adoption opportunities and threats for bread and baked goods will become more prominent and potentially drive disruptive innovations in the category.
A key driver of current thinking and behaviour in the category is anchored around health. The health agenda is not being managed effectively by the category at an overall level and there are many gaps in understanding leading to shopper confusion and misunderstanding.

1 in 4 shoppers buying gluten free but just a minority of these have any intolerance, and very few understand the specific benefits of gluten free overall.

Information on health and the category is coming mostly from word of mouth and online. This is focused on diets and health tips mostly, and much is getting lost in translation between the original source (quite often based on sound science) and the decisions being made in store in the baked goods category.
**Healthy Eating**

Please tell us how much you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree a lot</th>
<th>Disagree a little</th>
<th>Neither agree or disagree</th>
<th>Agree a little</th>
<th>Agree a lot</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’m currently trying to lose weight</td>
<td>12%</td>
<td>10%</td>
<td>17%</td>
<td>34%</td>
<td>27%</td>
</tr>
<tr>
<td>I’m up to date with the latest findings on what food is good for you</td>
<td>3%</td>
<td>10%</td>
<td>20%</td>
<td>43%</td>
<td>24%</td>
</tr>
<tr>
<td>I carefully read all labels on all the food items I buy</td>
<td>7%</td>
<td>13%</td>
<td>16%</td>
<td>42%</td>
<td>22%</td>
</tr>
<tr>
<td>I am actively trying to control how many calories I eat each day</td>
<td>11%</td>
<td>11%</td>
<td>21%</td>
<td>38%</td>
<td>19%</td>
</tr>
<tr>
<td>People often turn to me for advice regarding healthy eating</td>
<td>13%</td>
<td>17%</td>
<td>32%</td>
<td>29%</td>
<td>11%</td>
</tr>
</tbody>
</table>

**Top 2**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’m up to date with the latest findings on what food is good for you</td>
<td>67%</td>
</tr>
<tr>
<td>I carefully read all labels on all the food items I buy</td>
<td>64%</td>
</tr>
<tr>
<td>I am actively trying to control how many calories I eat each day</td>
<td>57%</td>
</tr>
<tr>
<td>People often turn to me for advice regarding healthy eating</td>
<td>40%</td>
</tr>
</tbody>
</table>

Base: All Grocery Shoppers N=1,000; England N=1,000
**Buying free from baked goods**

**How often did you buy gluten-free or wheat-free baked goods in the last 12 months?**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Ireland</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>I buy them regularly</td>
<td>30%</td>
<td>34%</td>
</tr>
<tr>
<td>I buy them occasionally</td>
<td>41%</td>
<td>40%</td>
</tr>
<tr>
<td>I buy them from time to time</td>
<td>29%</td>
<td>26%</td>
</tr>
</tbody>
</table>

**Which of the following Gluten-Free or Wheat-Free baked goods did you buy in the last 12 months?**

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Ireland</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread</td>
<td>30%</td>
<td>34%</td>
</tr>
<tr>
<td>Bread products (e.g. rolls, buns etc.)</td>
<td>41%</td>
<td>40%</td>
</tr>
<tr>
<td>Breakfast Cereals</td>
<td>29%</td>
<td>26%</td>
</tr>
<tr>
<td>Sweet baked goods e.g. pastries</td>
<td>29%</td>
<td>26%</td>
</tr>
<tr>
<td>Other, (specify)</td>
<td>29%</td>
<td>26%</td>
</tr>
</tbody>
</table>

**Base:** Grocery shoppers who purchased Gluten Free or Wheat Free baked goods Republic of Ireland N=250; England N=188
Is my Intolerance Real or Imagined?

- Eating Bread
- Feeling bloated
- Heightened awareness of food intolerances and food health debate
- I have an intolerance

“I buy the coeliac breads just because they’re better for you overall”

Number of people buying gluten free food up 400% in 4 years

Incidence of buying gluten free foods is up from 6% (2010 Bord Bia research) to 26% in 2014

Just 3 in 10 gluten free bread buyers have a diagnosed allergy (29%) in the house

Greater noise and awareness around functional and health foods has led to an increase in popularity but with little strong evidence or understanding of the real personal benefits.
How consumers source health information

What sources of information do you typically use to get information on the nutrition and health aspects of food?

TV programmes 37%
Newspapers, magazines 37%
 Initiatives in schools 9%
Government organisations (e.g. Bord Bia, safefood) 21%
Blogs 7%
Searching on the internet (Google) 48%
Social media (e.g. Facebook) 15%
Word of mouth (friends/colleagues) 37%

Base: All Grocery Shoppers N=1,000; England N=1,000
Bread as collateral damage & not a key protagonist

There is a wide ranging debate around health and wellness underway within which bread is a lower order (yet present) focal point.

- There is an ongoing discussion around health and nutrition which many people are engaged with, but for whom few have a detailed understanding.
- Most focus of attention is on what are perceived to be the worst offenders of “bad food” and this is where much of the volume of discussion is occurring.
- Most individuals are focused on what are the rules of good and bad nutrition and are immediately concerned with removing/controlling the worst offenders in the diet.
Bread as collateral damage & not a key protagonist

Bread is on the periphery of “bad agents” in this debate. There is much heresy and misinformation about the nutritional values of bread (white in particular), which is driving a negative attitude towards bread overall in terms of health.

There has been no context given to what constitutes good and bad practices in eating a balanced diet containing bread, and the industry has been particularly quiet on this front from a consumers perspective.

There needs to be a unified industry voice to push back on the overly negative portrayal of bread in the consumers mind and education is paramount on this front. Currently much of the information driving consumer knowledge is based loosely on facts and being shared via WOM.

Bread as a category has done little in the consumers mind to inform and guide the debate around its health credentials and as such is vulnerable to having overly negative perceptions associated with it (particularly white bread).
Mystical Language of Health

**Breath of understanding**

- Shoppers and consumers spend a lot of time and mental energy thinking and talking about health.
- However the technicality of terms and information is confusing to shoppers.
- They are aware of many of the health terms and hot button topics, but have a shallow knowledge of what these are specifically and how/why they impact on health.

**Depth of understanding**

- Shoppers lack a bigger picture understand or framework where they can compare and understand the health and nutritional quality of all the options open to them.
- Complex and detailed – could understand if wanted to invest time and energy.
- Easier to look for clues and short cuts (heuristics) which will help them make acceptable decisions (nb key hooks and what’s in fashion drive a lot of the debate).
- WOM, social and entertainment/lifestyle chatter drives much of the urban and consensus wisdom – not always accurate or fully formed views, but no challenges from industry to contextualise and empower the debate. May be more an issue for Government policy rather than any one sector, but impacts all sectors – NB education within your category to mitigate against this is critical.

Despite much talk about health, shoppers are relatively poorly equipped and educated to navigate the volume of technical terms and metrics used within the health debate – they then default to short cuts for forming opinions which are driven and shaped by WOM and pop culture rather than hard fact or industry guidance.
These are the two most important factors which will command a premium from shoppers. These issues are the ones which shoppers are most interested in within the category. Ironically these are the issues which the category should be very strong in, but recent health debates have called much of what shoppers believed to be true into question and now there is a need to re-connect – those who re-connect best (while keeping an eye on value) will be the big winners in the category.

Freshly Baked and Natural Ingredients are Key

- Freshly baked (60%) & only natural ingredients (50%) most likely to command premium
What consumers will pay more for

Which of the following attributes would make you more likely to pay a bit more for bread or baked goods?

- Freshly baked
- Only natural ingredients (no artificial additives)
- Locally baked (i.e. close to where I live)
- Made in a traditional manner
- No added sugar
- Containing ingredients with specific health benefits
- Hand crafted, artisan
- Baked in [England / Ireland]
- Baked from ingredients sourced in [England / Ireland]
- Reduced, more environmentally friendly packaging
- Fortified bread (e.g. with vitamins, calcium etc.)
- If I know exactly how it’s made
- Gluten free

Base: All Grocery Shoppers N=1,000; England N=1,000
# Pseudo Science Shaping Motivations

## The Problem

- Strong vilification of white bread in particular based on “pop science” WOM and fad celebrity diets mostly.
- Lack of deep and real understanding of nutritional impact of bread and how and why this is good/bad or should fit in the diet.

## The Solution

- The perceived problems with white bread are then solved in the consumers mind through various cues and hooks which are used to counteract the perceived failings of breads health dimensions. (seeds, Gluten free etc all strong hooks here).
- There is however little understanding of why or how these cues have specific benefits that negate the perceived health failings.

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**Pseudo science and bread:** Posing the answer to the question that was never really asked.

People’s shallow depth of specific understanding leads to an uninformed thinking process around bread and baked goods.
The Lost Art of Bread in Everyday

Bread traditionally synonymous with artisan, quality, purity and provenance.

The purity and honesty of bread (mass produced) has been diluted in the category.
- Driven by poor PR of white (the mainstay of the category psychologically for most) and lack of reinforcement/re-owning of the provenance messages for newer “healthier” varieties.

Newer varieties have focused on health primarily and struggled to gain ownership of the provenance and art/craft of bread making.
- The values and art of traditional bread which delivers many emotions, tones of nostalgia and theatre/experience are being lost – artisan bakers and producers are the exception, but mass produced health varieties becoming more about nutritional values rather than the core values of bread.

There is a danger that over time bread loses the connection to its provenance and natural hooks as health and functional food solutions emerge. The industry needs to protect the art of bread across all varieties.

“"It seems strange but the things you expect as a given are what I’m not sure about anymore, what’s in bread and how is it made. It’s like it’s over-engineered now.”
Heuristics in Decision Making and The Power of Seeds

- Low levels of conscious thinking or understanding about the ingredients or processing of bread (unless in a negative context when thinking of poor health cues for white bread).

- With a latent perception that bread is not healthy, shoppers are looking for ways to mitigate the poor health credentials.
  - Shoppers want to reduce and avoid the “bad breads” and are looking for cues to help them select “good breads”.

- Two key heuristics short cuts used:
  - Seeds and tangible visible additions that are considered healthy.
  - Functional food dimensions: Low, GI, Celiac, Gluten/wheat free etc.

A heuristic is a mental shortcut that allows people to solve problems and make judgments quickly and efficiently.

These rule-of-thumb strategies shorten decision-making time and allow people to function without constantly stopping to think about their next course of action.

While heuristics are helpful in many situations, they can also lead to biases.

(Source: psychology.about.com)
Category Education is Urgently Needed

- There is a strong need and appetite for education in category.
- Shoppers have key issues top of mind which bring many questions. They have a health challenge to the category which they are looking for assistance in solving.
- Currently poor information and poor understanding leads to weak choices in category, where shoppers do not feel empowered and have doubt over whether they have made, and continue to make, the right choice for them.

56%
Interested in learning more about the actual health benefits of some of the ingredients added to bread.
Lack of Information

Despite the volume and frequency of bread consumption and the discussions around the health impact of bread, there is a notable dearth of real understanding about bread...........

Feeling confused about the health benefits of different types of bread?

42%

- How much bread is ok to eat each day?
- How much bread is it recommended that I eat each day?
- What are the positive nutritional benefits of bread?
- What are the negative nutritional drawbacks of bread?
- How does the nutritional value of different breads vary?
What consumers would like to learn about

Which of the following aspects of bread and baked goods would you be interested in learning more about?

- The actual health benefits of some ingredients added to bread (e.g. seeds)
- Reasons why some ingredients are added to bread/baked goods
- Guidelines as to how much bread we should eat
- New ideas on how to minimise bread waste
- The actual process of baking bread and other baked goods
- Ideas to bring more variety to children’s meals
- Other, specify:

Base: All Grocery Shoppers N=1,000; England N=1,000
Final Thoughts

Health & Education are key:

Build a factual and consistent narrative and view of the category which will satisfy the current need for health solutions but also provides clarity on what the category does and does not offer.

The opportunity to influence behaviour in store is significant. Retailers and own label are managing this well to their own effect. Brands need to be more engaged in a conversation with shoppers in store to increase success.

In store inspiration:

Same Shopper, multiple needs
Shoppers want many different baked goods at many different times. Brands need to acknowledge this, build relevant solutions and position them in not only the right locations but at the correct times.

Moving Targets:

Constant innovation and variety is a must
Variety seeking behaviour is strong and likely to be a feature of the category into the future. Brands must have the agility to constantly engage and surprise shoppers to satisfy their needs, while having an omnipresent and excellent core range which satisfies their core everyday needs. Without this variety, the core solutions lose traction and stickiness with shoppers and become easily replaceable and substitutable at point of sale.
Some Quick Wins

1. Education via Pack Design
   (nutritional info & brand visibility in store)

2. Category Management in store
   (layout and shelf position, stock levels and availability across the day)

3. Freshness cues and information
   (provenance, when baked and landed in store)

4. Innovation and variety
   (constant and incremental NPD to excite and inspire)

5. Brand values and essence
   (define what you stand for and commit)

6. Have conversations across the customer journey
   (out of store, and in store)

7. Educate and Inspire
   (meal solutions, occasion ideas and recipes)