

BREAD – UK – 2023

Bread's affordability has kept it on the table in 2023. As consumer finances improve, the category will need to respond to a renewed consumer focus on health.



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Bread - UK - 2023

This report looks at the following areas:

- Bread purchasing and usage frequency
- Key trends in recent launch activity and future product development opportunities
- Qualities consumers associate with healthy bread and opportunities to tap into these, including opportunities for in-store bakeries
- Consumer behaviours related to bread, including the importance of disrupting the shopper journey
- Consumer attitudes towards bread, including how to leverage interest in toppings and accompaniments



Bread's affordability has kept it on the table in 2023. As consumer finances improve, the category will need to respond to a renewed consumer focus on health.

Overview

Instability in cereal, energy and packaging prices have been putting pressure on the supply chain, with price hikes feeding through to consumers. Despite this, bread's relative affordability has kept it on the table amid stretched household finances.

Bread has attracted attention amid the recent public spotlight on ultra-processed foods. Half of consumers agree that most bread available at supermarkets is an ultra-processed food, with many others uncertain on this point. This leaves the category vulnerable to any further coverage.

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Over half of consumers think there should be a wider selection of healthy breads available. Such interest suggests that efforts to drive awareness of existing healthy products and to expand ranges to include more healthy options would find fertile ground.

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Report Content

Key issues covered in this Report

- Overview

EXECUTIVE SUMMARY

Opportunities for the bread market

- Over half of consumers think there should be a wider selection of healthy breads available
- Half of consumers agree that most bread available at supermarkets is an ultra-processed food
- A third of consumers see bread as a vessel for toppings/accompaniments

Market dynamics and outlook

- Value sales soar as high inflation continues
 - Graph 1: retail value sales for bread and bread products, 2017-23
- The five-year outlook for bread
- Higher average prices will drive value growth in bread
- Bread to face incremental volume decline
- Warburtons leads the prepackaged bread market
- Inflation propels value growth for most specialty bread brands
- Bread inflation has remained high in the 12 months to October 2023
- Three in five people try to eat mostly healthily
 - Graph 2: how often people try to eat healthily, 2018-22

What consumers want and why

- Bread purchasing is near-universal
 - Graph 3: types of bread and bread products bought in the last month, 2023
- Packaged sliced square loaves enjoy most frequent usage
 - Graph 4: frequency of eating packaged and other types of bread in the past month, 2023
- Over half of consumers think there should be a wider selection of healthy breads available
 - Graph 5: qualities associated with healthy bread*, 2023
- Disrupting the shopper journey is crucial for bread brands
 - Graph 6: behaviours related to eating and buying bread, 2023
- A third of consumers see bread as a vessel for toppings/accompaniments
 - Graph 7: attitudes towards bread, 2023

Innovation and marketing

- Uptick in launch activity of bread and bread products

- Graph 8: percentage share of bread and bread products relative to the total bakery market, 2019-23
- New flavours explored in bread products
- Spend on above-the-line advertising boosted in 2023

MARKET DYNAMICS

Market size

- Value sales soar as high inflation continues
 - Graph 9: retail value sales for bread and bread products, 2017-23
- Squeezed incomes support bread sales in 2023
 - Graph 10: retail volume sales of bread and bread products, 2017-23

Market forecast

- Higher average prices will drive value growth in bread
- Bread to face incremental volume decline
- Sales forecast to reach £4.8 billion by 2028
- Learnings from the last income squeeze
 - Graph 11: retail value and volume sales of the total* bread and baked goods market, 2010-15

Market segmentation

- White bread outpaces the rest of the prepackaged market
 - Graph 12: Retail value sales of bread, by segment, 2021-23
- White bread shows the strongest growth in 2023
- Increase in at home meal occasions supports specialty bread and roll sales
- Inflation fuels increase in value sales for specialty bread and rolls

Market share

- Leading brands maintain volume sales amid high inflation
- Warburtons leads the prepackaged bread market
- Volumes flat or static across leading bread brands
- Warburtons holds top position in the specialty bread and rolls segment
- Inflation propels value growth for most brands

Macro-economic factors

- The UK has avoided recession, but economic output has stagnated since the cost of living crisis began
 - Graph 13: GDP, 2021-23
- Inflation is still the key factor affecting consumers' finances
 - Graph 14: CPI inflation rate, 2021-23
- Interest rates will rise in importance over the remainder of 2023 and into 2024
- Food and drink prices still top the list of consumer concerns

- Graph 15: "Have you been affected by any of these issues over the last two months? Please select all that apply.", 2023
- Bread inflation has remained high in the 12 months to October 2023
 - Graph 16: consumer price inflation for bread and all food, 2022-23
- Consumer sentiment: the recovery is continuing...
 - Graph 17: the financial wellbeing index, 2016-23
- ...and people feel more confident about their financial prospects
 - Graph 18: the financial confidence index, 2016-23

Social, environmental and legal factors

- HFSS location restrictions adopted, volume promotion ban postponed
- Three in five people try to eat mostly healthily
 - Graph 19: how often people try to eat healthily, 2018-22
- Salt reduction remains on the health agenda
- Action on Salt released report on bread salt content in March
- Media spotlight on ultra-processed foods extends to bread
 - Graph 20: attitudes towards bread as an ultra-processed food, 2023
- Sustainability predicted to be a higher priority going forward
- Younger consumers' wider food repertoires will impact bread sales in the long term

WHAT CONSUMERS WANT AND WHY

Purchasing of bread

- Bread purchasing is near-universal
 - Graph 21: types of bread and bread products bought in the last month, 2023
- Packaged sliced square loaf is the nation's favourite bread
 - Graph 22: types of bread and bread products bought in the last month, by age, 2023
- Distinct preferences by age groups are clear across the types of bread brought
 - Graph 23: buying of selected types of bread and bread products bought in the last month, by age, 2023

Frequency of eating bread

- Packaged sliced square loaf also enjoys most frequent usage
 - Graph 24: frequency of eating packaged and other types of bread in the past month, 2023
- Concerns around UPF and carbohydrate reduction impact usage

Qualities associated with healthy bread

- Over half of consumers think there should be a wider selection of healthy breads available
 - Graph 25: qualities associated with healthy bread*, 2023
- Strong demand for a wider selection of healthy breads to be available
- A variety of on-pack cues signal health

- Graph 26: qualities associated with healthy bread, by those who try to eat mostly healthy bread, 2023
- In-store bakeries are well placed to build on their existing health associations
- Users need to see certain features to think a bread is healthy

Behaviours related to eating and buying bread

- Disrupting the shopper journey is crucial for bread brands
 - Graph 27: behaviours related to eating and buying bread, 2023
- Efforts to capture consumer attention in-store can already be seen in the market
- Communicate the cumulative effect of bread choices to frequent users
- Half of consumers agree that most bread available at supermarkets is an ultra-processed food
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- Drive awareness of the simple breadmaking processes and ingredients to cut through the UPF narrative
- Genius, Kingsmill and Bertinet Bakery offer cues to those looking to 'lift the curtain' on ingredients and processing
- Specialist high street bakery brands well placed to tap consumer interest in naturalness

Attitudes towards bread

- A third of consumers see bread as a vessel for toppings/accompaniments
 - Graph 28: attitudes towards bread, 2023
- Embrace creativity when showcasing the different ways bread and bread products can be used
- Weetabix's 'Any-Which-Way-A-Bix' campaign celebrates the different ways its cereal could be eaten
- Put detailed and visual descriptions of toppings in consumer's paths
- Walkers CrispIn or CrispOut campaign puts the focus on sandwich fillings and accompaniments
- A third of consumers see bread as a vessel for toppings/accompaniments
- Social media food trends can provide inspiration for brands looking to celebrate toppings/ accompaniments
- Meal bundles offer an engaging way to drive links with toppings/accompaniments
- Co-locating bread with other ingredients can tap into the interest in meal bundles
- ASDA's meal bundles take inspiration from TikTok trends

INNOVATION AND MARKETING TRENDS

Launch activity and innovation

- Uptick in launch activity of bread and bread products
 - Graph 29: percentage share of bread and bread products relative to the total bakery market, 2019-23
- Premium launches' share of activity slips in 2023, with economy ones gaining
 - Graph 30: proportion of new launches in bread and bread products that are positioned as premium and economy, 2018-23
- Brands look to offer quality at an affordable price point
- Limited edition NPD takes inspiration from seasonal events and the King's coronation...
- ...with efforts made to inject novelty into the category

- Hybrid bread products follow a wider bakery trend
- New flavours feature in bread products
- Breads inspired by world cuisines continue to be explored
- Better-for-you NPD puts the focus on seed content
- Thin varieties continue to hold attention in NPD
- Claims related to regenerative farming feature on-pack

Advertising and marketing activity

- Spend on above-the-line advertising boosted in 2023
 - Graph 31: total above-the-line, online display and direct mail advertising on bread and bread products, 2020-23
- Warburtons invest heavily in new ad campaign
- New York Bakery Co. launches 'The Toast of New York' campaign
- Roberts Bakery undergoes rebrand in early 2023
- Jacksons of Yorkshire launches 'Feeding Creativity' campaign
- Bertinet Bakery looks to pop-ups

BRAND RESEARCH

- Brand map
- Key brand metrics
- Brand attitudes: Warburtons enjoys a strong perception for good value
- Brand personality macro image: leading bread brands are seen as most accessible
- Brand personality micro image: no brands stand out as 'natural'

APPENDIX

Supplementary data

- Appendix – prepacked bread manufacturer value sales
- Appendix – prepacked bread manufacturer volume sales
- Appendix – specialty breads and rolls manufacturer value sales
- Appendix – UK population projections
- Appendix – adspend by media type
- Appendix – adspend by leading advertisers

Market forecast data and methodology

- Appendix – value market size and forecast
- Appendix – volume market size and forecast
- Appendix – market forecast and prediction intervals (value)
- Appendix – market forecast and prediction intervals (volume)

- Forecast methodology

Report scope and definitions

- Appendix – market definition
- Abbreviations and terms

Methodology

- Consumer research methodology
- Nielsen Ad Intel Coverage

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