

SNACK BARS AND BREAKFAST BISCUITS – UK – 2024

High inflation has fuelled value growth in the market, amid falling volumes. Interest in freshness and variety multipacks point to opportunities for NPD.



Claire Finnegan, Food & Drink Analyst



Snack Bars And Breakfast Biscuits - UK - 2024

This report looks at the following areas:

- Performance of the market and the impact of the rising cost of living
- Where and when cereal/snack bars and breakfast biscuits are eaten
- Key attributes associated with cereal/snack bars, breakfast biscuits, and protein bars
- Key trends in recent launch activity and future product development opportunities such as consumer interest in naturalness and flavour variety
- Behaviours related to the eating and buying of cereal/snack bars and breakfast biscuits, and related opportunities including disrupting shopper behaviour and how to support health-conscious shoppers



High inflation has fuelled value growth in the market, amid falling volumes. Interest in freshness and variety multipacks point to opportunities for NPD.

Overview

The cost of living crisis has put pressure on the market, volumes down 5.4% in 2023. Price rises in the category and the role of these snacks as discretionary will have made them likely candidates for cutbacks amid the income squeeze. The limited scope for trading down given the sparse own-brand offering has added to this.

Competition from other snacking categories has put pressure on the cereal/snack and breakfast biscuit market and will continue to do so. For example, the strong growth of the protein bar market shows little sign of easing. Further HFSS restrictions loom and stand to have

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mixed effects on the market. While they will lend an edge to compliant products, they will also fuel ongoing NPD in the wider BFY snack space, adding to the competitive pressures.

Disrupting the shopper journey is crucial for cereal/snack bar and breakfast biscuit brands. While most users and buyers usually visit the cereal/snack bar and breakfast biscuit aisle when doing their main grocery shop, over half pay little attention to the rest of the products on the shelf when buying their favourite brand. This points to the need for brands to ensure they stand out in the aisle, to make the most of the passing traffic.

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Report Content

EXECUTIVE SUMMARY

Opportunities for the cereal/snack bar and breakfast biscuit market

- Scope for cereal/snack bars and breakfast biscuits to actively push satiety messaging
- Fresh fruit ingredients and multipacks warrant NPD
- Disrupting the shopper journey is crucial for cereal/snack bar and breakfast biscuit brands

Market dynamics and outlook

- Market size & forecast
- Market predictions
- Value sales growth to ease
- A fragmented market with many small players
 - Graph 1: leading brands' value sales in the cereal/snack bars market, 2021/22-2023/24
- Cereal/snack bars and breakfast biscuits fall within HFSS

What consumers want and why

- Over three in five eat cereal/snack bars or breakfast biscuits
 - Graph 2: frequency of eating breakfast biscuits and cereal/snack bars, 2023
- At-home usage proves most popular
 - Graph 3: where breakfast biscuits and cereal/snack bars are eaten, 2023
- Morning occasions attract the highest usage
 - Graph 4: when cereal/snack bars and breakfast biscuits are eaten, 2023
- A variety of product concepts appeal to consumers
 - Graph 5: concepts of interest in cereal/snack bars and breakfast biscuits, among users and non-users, 2023
- A variety of product concepts appeal to consumers
 - Graph 6: concepts of interest in cereal/snack bars and breakfast biscuits, among users and non-users, 2023
- Few cereal/snack bars and breakfast biscuits are seen as filling
 - Graph 7: attributes associated with cereal/snack bars, breakfast biscuits and protein bars, 2023
- Support consumers looking to make healthier snacking choices
 - Graph 8: behaviours related to eating and buying cereal/snack bars and breakfast biscuits, 2023

Innovation and marketing

- Limited major new product launch activity
 - Graph 9: cereal/snack bars' share of all snack product launches, 2018-23
- New cereal/snack bar launches range from leading brands to newcomers
- Chocolate and nut flavours continue to lead among cereal/snack bar launches

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- Graph 10: new product launches in the cereal/snack market, by top flavour components, 2018-23
- Spend on ATL advertising falls in 2023

MARKET DYNAMICS

Market size

- Squeezed incomes see volumes dip in 2023
 - Graph 11: retail value sales of cereal/snack bars and breakfast biscuits, 2018-23
 - Graph 12: retail volume sales of cereal/snack bars and breakfast biscuits, 2018-23
- Various challenges put pressure on the market

Market forecast

- Value sales growth to ease
- Volume sales forecast to show slow growth
- Market will benefit from rising real incomes, but faces numerous threats
- Modest volume growth predicted by 2028
- Learnings from the last income squeeze
 - Graph 13: retail value sales of cereal/snack bars and breakfast biscuits, 2010-15

Market share

- A fragmented market with many small players
 - Graph 14: leading brands' value sales in the cereal/snack bars market, 2021/22-23/24
- Kellogg's is the biggest brand in cereal/snack bars
 - Graph 15: leading brands' volume sales in the cereal/snack bars market, 2021/22-23/24
- Kellogg's Squares perform well, strong year for Go Ahead
- Nature Valley posts value growth

Macro-economic factors

- The UK economy moved into a shallow recession in the second half of 2023
 - Graph 16: GDP, 2021-23
- Inflation is still the key factor affecting consumers' finances
 - Graph 17: CPI inflation rate, 2021-23
- Interest rates expected to fall in 2024, but borrowing pressures will remain
- Food and drink prices still top the list of consumer concerns
 - Graph 18: "Have you been affected by any of these issues over the last two months? Please select all that apply.", 2023
- Consumer sentiment: the recovery is continuing...
 - Graph 19: the financial wellbeing index, 2016-23
- ...and people feel more confident about their financial prospects
 - Graph 20: the financial confidence index, 2016-23

Social, environmental and legal factors

- Snacks feature in most people's daily diets
 - Graph 21: frequency of snacking, 2020-23
- Government measures on HFSS food and drink slow to roll out
- Cereal/snack bars and breakfast biscuits fall within HFSS
- HFSS regulations pose a challenge for the market
 - Graph 22: selected behaviours related to eating and buying cereal/snack bars and breakfast biscuits, 2023
- Strong consumer interest in healthy eating
 - Graph 23: how often people try to eat healthily, 2018-22
- Better-for-you opportunities differ across age groups
- Population growth will support demand for cereal/snack bars and breakfast biscuits
 - Graph 24: trends in the age structure of the UK population, 2018-28
- Mixed effects from changes in size of different age groups

WHAT CONSUMERS WANT AND WHY

Frequency of eating cereal/snack bars and breakfast biscuits

- Over three in five eat cereal/snack bars or breakfast biscuits
 - Graph 25: frequency of eating breakfast biscuits and cereal/snack bars, 2023
- Young consumers are top category users...
 - Graph 26: overall usage and frequency of eating cereal/snack bars, by age, 2023
 - Graph 27: overall usage and frequency of eating breakfast biscuits, by age, 2023
- ...together with parents and full-time workers
 - Graph 28: overall usage and usage at least once a week of cereal/snack bars, by selected demographics, 2023

Where and when cereal/snack bars and breakfast biscuits are eaten

- At-home usage proves most popular
 - Graph 29: where breakfast biscuits and cereal/snack bars are eaten, 2023
- Morning occasions attract the highest usage
 - Graph 30: when cereal/snack bars and breakfast biscuits are eaten, 2023

Concepts of interest in cereal/snack bars and breakfast biscuits

- A variety of product concepts appeal to consumers
 - Graph 31: concepts of interest in cereal/snack bars and breakfast biscuits, 2023
- Fresh fruit ingredients and multipacks warrant NPD
- NPD with fresh fruit ingredients is widely welcomed...
- ... but the need to keep the bars chilled poses some headwinds
- Extend cereal/snack bars and breakfast biscuits to in-store bakeries

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- Bring variety packs from online to the stores

Attributes associated with cereal/snack bars, breakfast biscuits, and protein bars

- Few cereal/snack bars and breakfast biscuits types stand out for key attributes
 - Graph 32: attributes associated with cereal/snack bars, breakfast biscuits, and protein bars, 2023
- Scope for cereal/snack bars and breakfast biscuits to tap into desire for filling snacks
- Call out fibre and protein to boost 'filling' associations
- ...and look to 'fuel' messaging
- Nut-based bars are best placed to challenge protein bars
- Low-calorie and high-protein bars have the most processed image

Behaviours relating to eating and buying cereal/snack bars and breakfast biscuits

- Support consumers looking to make healthier snacking choices
 - Graph 33: behaviours related to eating and buying cereal/snack bars and breakfast biscuits, 2023
- Health benefits are sought more than low calories
- Disrupting the shopper journey is crucial for cereal/snack bars and breakfast biscuit brands
- Use in-aisle promotional material to disrupt shoppers...
 - ...as seen from belVita and Nature Valley
- Engage shoppers at on-the-go touchpoints
- Brands lean into their key strengths to engage shoppers in new contexts
- Take cues from challenger brands using shared advertising

INNOVATION AND MARKETING TRENDS

Launch activity and innovation

- Limited major new product launch activity
 - Graph 34: cereal/snack bars' share of all snack product launches, 2018-23
- New varieties/range extensions lead the way
 - Graph 35: new product launches in the cereal/snack market, by launch type, 2018-23
- New cereal/snack bar launches range from leading brands to newcomers
- Half of launches in 2023 featured high/added fibre claims
 - Graph 36: share of new launches in snack/cereal/energy bars, by selected health claims, 2018-23
- Chocolate and nut flavours continue to lead among cereal/snack bar launches
 - Graph 37: new product launches in the cereal/snack market, by top flavour components, 2018-23
- Examples of chocolate- and raspberry-flavoured launches
 - ... alongside dessert-inspired variants
- Brands push naturalness on the front-of-pack
- Bite-size product formats continue to attract attention
- Co-branding features in NPD

Advertising and marketing activity

- Spend on ATL advertising dips in 2023
 - Graph 38: above-the-line, online display and direct mail advertising expenditure on cereal/snack bars and breakfast biscuits, 2020-23
- Mondelez leads category spend on advertising
 - Graph 39: above-the-line, online display and direct mail advertising expenditure on cereal/snack bars and breakfast biscuits, by advertisers, 2020-23
- belVita partners with FareShare for its 'Give a Smile' initiative
- belVita's 'Give a Smile' advertisement invites viewers to donate a meal by smiling
- Cadbury Brunch's 'But Actually Tasty' campaign puts the spotlight on ingredients
- KIND continues its 'Acts of Kindness' campaign
- 'What Fuels You' campaign sees KIND partner with the England Football team
- Nakd invests in out-of-home advertising in 2023
- Nature Valley launches first TV advertisement since 2021
- Nature Valley's 'Get Equipped for Life' campaign

APPENDIX

Supplementary data: market share

- Cereal/snack bars and breakfast biscuits: brand value sales
- Cereal/snack bars and breakfast biscuits: brand volume sales
- Cereal/snack bars and breakfast biscuits: manufacturer value sales
- Cereal/snack bars and breakfast biscuits: manufacturer volume sales

Supplementary data: market drivers

- Appendix – UK population projections

Market forecast data and methodology

- Value market size and forecast
- Volume market size and forecast
- Market forecast and prediction intervals (value)
- Market forecast and prediction intervals (volume)

Advertising and marketing activity

- Advertising by advertiser
- Outdoor advertising leads the way
- Forecast methodology

Report scope and definitions

- Market definition

- Abbreviations and terms

Methodology

- Consumer research methodology
- Nielsen Ad Intel coverage

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