

PRIVATE LABEL BAKERY RISING

Baked goods are alive and well in retail, but distinct factors are driving individual segments.

Two words: Artisanal toast.

When our U.S. food climate puts forth \$4 slices of thick-cut, artisanal toast as the fresh trend du jour—look toward San Francisco and offbeat spots like Trouble Coffee & Coconut Club for origins—you know faddy low-carb madness has finally subsided to its niche.

Baked goods are alive and well, but retailers and suppliers need to pick their spots and carefully determine which factors are driving individual segments of baked goods.

Most private label baked goods have experienced steady gains over the past year. In its November 2013 “In-Store Bakeries: U.S. Market Trends” report, Packaged Facts notes in-store retail bakery has grown every year since 2008—a trend that’s expected to indefinitely continue. The firm notes that this segment was valued at \$12.8 billion in 2012, and that the products’ freshness can sway business away from packaged options.

And grocery stores, along with some warehouse/club stores, no longer have the retail in-store bakery market cornered. More convenience stores and drug stores continue to add in-store bakeries.

Packaged Facts also recently investigated packaged breakfast options via its December 2013 “Packaged Breakfast Baked Goods:

The Bottom Line

- In-store bakeries continue to show positive growth
- Packaged products get better-for-you treatment
- Specialty baked goods as a source of inspiration



Several types of in-store bakery items and packaged baked goods continue to see positive growth, with freshness and health-and-wellness respectively playing a part.

U.S. Market Trends” report, which notes the packaged breakfast baked goods market—which includes bagels, donuts, croissants and English muffins—saw sales of \$4.9 billion in 2012. IRI data shows all of these baked goods trending nicely forward, with positive sales over the past 52 weeks.

In order to cultivate more attention, manufacturers of packaged baked goods have taken nutritional tacks to diversify product sets via use of whole grains, reduced sodium and sugar, and higher levels of fiber.

Specialized Inspirations

When dialing this segment down to the

EYE ON THE NATIONAL BRANDS

Health-and-wellness is at the forefront of packaged baked goods innovation. Canadian mainstay Weston Bakeries recently released Country Harvest Veggie Bread in Carrot, Celery and Leek; Tomato, Red Pepper and Zucchini; and Green Pepper and Spinach. The products deliver a full serving of vegetables in every slice, a fact clearly noted on front-of-pack (FOP).

Also, “thin” breads continue to diversify. Bimbo Bakeries brand Brownberry recently released Pocket Thins with “100 calories per pocket,” “excellent source of fiber,” and “10 grams whole grains” included on FOP messaging.



BAKERY/BAKED GOODS						
	DOLLAR SALES	DOLLAR SALES % CHG YAGO	DOLLAR SHARE	UNIT SALES	UNIT SALES % CHG YAGO	UNIT SHARE
CATEGORY - ENGLISH MUFFINS	\$682,546,700	0.09	100.00	269,226,500	1.38	100.00
PRIVATE LABEL ENGLISH MUFFINS	\$73,135,540	4.40	10.72	45,431,510	2.61	16.87
CATEGORY - FRESH BREAD & ROLLS	\$13,598,840,000	1.59	100.00	5,970,665,000	(0.14)	100.00
PRIVATE LABEL ALL OTHER FRESH ROLLS/BUN/CROISSANTS	\$510,350,300	7.64	3.75	216,058,700	5.73	3.62
PRIVATE LABEL BAGELS/BIALYS	\$125,971,400	8.48	0.93	57,496,480	16.76	0.96
PRIVATE LABEL FRESH BREAD	\$2,209,816,000	2.52	16.25	1,415,926,000	1.27	23.71
PRIVATE LABEL HAMBURGER AND HOT DOG BUNS	\$876,383,600	6.08	6.44	684,452,900	4.67	11.46
CATEGORY - PASTRY/DOUGHNUTS	\$2,894,492,000	3.21	100.00	1,071,377,000	(0.10)	100.00
PRIVATE LABEL DOUGHNUTS	\$313,316,700	14.95	10.82	119,182,400	8.35	11.12
PRIVATE LABEL MUFFINS	\$212,083,900	(6.63)	7.33	66,029,170	(1.74)	6.16
PRIVATE LABEL PASTRY/DANISH/COFFEE CAKES	\$271,644,500	7.89	9.38	98,926,070	5.12	9.23
CATEGORY - BAKING NEEDS	\$2,010,014,000	0.93	100.00	855,498,200	0.82	100.00
PRIVATE LABEL PIZZA CRUST/SHELL	\$6,880,560	96.58	0.34	1,773,694	115.60	0.21
CATEGORY - MEXICAN FOODS	\$2,430,286,000	3.94	100.00	1,158,864,000	2.93	100.00
PRIVATE LABEL HARD/SOFT TORTILLAS/TACO KITS	\$174,164,800	3.71	7.17	101,773,200	3.78	8.78

Top-line takeaways: Private label pizza crusts and shells saw significant growth over the past 52 weeks, indicating notable penetration into a product area previously “owned” by a national brand.

Source: IRI, Chicago, Total U.S. Multi-Outlet (Supermarkets, Drugstores, Mass Market Retailers, Military Commissaries and Select Club & Dollar Retail Chains), data for the latest 52 weeks ending March 23, 2014.

specialty grocery channel, we can take a selective look at product areas that have not only seen steady growth, but also that could pose new opportunities for retailers in other channels.

Tortillas. The tortilla has been nothing short of a star over the past decade—already surpassing hotdog and hamburger buns in terms of overall sales revenue and perennially nipping at the heels of white bread. And private label is holding its own. Store brand tortillas were up 3.71 in dollar sales for the last 52 weeks, per IRI. But as the category grows more crowded, retailers need to distinguish themselves. Trader Joe’s takes the “handmade” route, with irregular shapes and notable blistering on its “truly handmade” tortillas.

Rolls/Buns/Croissants. The “all other rolls, buns or croissants” category was up 7.64 per IRI, and Trader Joe’s recently strode into new territory with its Panini Slims, a product with a uniquely rectangular shape. Front-of-pack messaging includes “5 grams of fiber per serving.”

In the baked goods section at The Fresh Market (which opened 20 new stores in 2013 and has another 20-plus slated for 2014), signs highlight store branded “Signature Items.” One such item is its Pepper and Onion Brioche Hamburger Buns, studded with fresh green and red bell peppers and yellow onions.

Private label hamburger and hotdog buns were up 6.08 percent per IRI.

Mariano’s offers Miami Sweet Onion Buns, a slightly sweet and egg-rich bun steered back into savory territory via ample use of soft, slightly charred onions and poppy seeds. The ingredient statement notes use of “fresh onion,” “fresh egg” and “fresh yeast,” and specifies use of “cane sugar.”

Pizza Crusts/Shells. Private label pizza products saw very strong growth over the past year, with private label pizza crusts up 96.58 in dollar share per IRI. Whole Foods Market capitalizes on the popularity of flatbreads in foodservice with its 365 Everyday Value Tandoori Naan flatbreads; the back of the package offers several suggestions for potential uses beyond pizza, and tells the product’s story via descriptors like “hand-stretched and baked in a tandoor oven.”

Doughnuts. Specialty doughnuts boldly wear indulgence on their sleeve—particularly Mariano’s options like the Turtle Pershing (a sort of frosted cinnamon roll with toppings in turtle candy flavors), Caramel Cashew (cashew pieces on top), Froot Loop (with the cereal on top secured via vanilla frosting—a type made famous by Voodoo Doughnut in Portland, Ore.) and chocolate Bavarian Bismarck (with a cream remarkably similar to a snack cake vs. the usual Bavarian pastry cream). People love their doughnuts these

days, and private label doughnuts are up a nice 14.95 per IRI.

Baking Up a Brand

Think again about what makes a product like “artisanal toast” such a draw. It’s the love and attention slathered on by its creators. It’s supremely local. It has a name and a face. It’s comfort food with sensory ties to childhood.

That’s a dynamic almost any retailer can cultivate via their in-store bakery. And it’s not necessarily a proposition of how to begin offering über-trendy products like artisanal toast to shoppers. It’s a matter of understanding why the products find such devoted, heartfelt appeal in the first place.

Of course, cross-channel competition today has hit a healthy level of intensity. By selectively picking their spots, retailers operating in channels other than specialty might find viable routes to lure specialty-leaning shoppers into their stores—and baked goods is a great place to start. **PLB**

PLBuyer TV

For more Bakery/Baked Goods insight, watch “Private Label Specialty Baked Goods Insight” video on *PLBuyer TV* at www.PrivateLabelBuyer.com/TV.

Copyright of Private Label Buyer is the property of Ascend Media and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.