

Cakes and Cake Bars - UK - June 2014

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“Cake companies can look to completely new formats in their NPD (New Product Development), given the interest in these from one in four users. For example, companies could create their own versions of the hybrid sweet treats (eg cronut, duffin) which have garnered a lot of media attention in the foodservice arena.”

– Emma Clifford, Senior Food Analyst

This report looks at the following areas:

- Cake brands can encourage a wider range of usage occasions through marketing
- Exciting innovation is needed to help heighten consumer engagement with the category
- Opportunities for better-for-you cakes through sugar alternatives and healthier ingredients

The cakes/cake bars market is failing to keep pace with rival sweet snack categories, with many operators relying on low price points to buoy volume sales. This has eroded the value of the market.

This is likely to reflect the fact that cakes do not excel in any one area related to snacking. Chocolate, for example, is most likely to be perceived as indulgent and moreish, ice cream is most associated with exciting flavours and cereal bars have strong health connotations. The cakes and cake bars market also struggles to compete with other sectors in terms of its marketing activity, which largely reflects the strong presence of own-label in the market, capturing half of sales.

Innovative NPD is lacking in the cakes/cake bars market, with scope for manufacturers to look to more unusual flavours or new formats – for example the hybrid cake concept popularised in the foodservice industry – to inject more excitement into this category. The consumer data for this report suggests that such NPD should resonate.

Like other HFSS food sectors, health concerns remain a barrier for the cake market, however, NPD in better-for-you options remains limited, particularly in terms of sugar content. This opens up opportunities given that one in four users would be interested in trying cakes/cake bars with sugar replacements. Here, naturally sourced sugar replacements such as stevia are likely to resonate, given many consumers' concerns regarding the artificial ingredients in diet products.

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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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