

# Ways to grow your biscuit range successfully

**T**he biscuit category should be core to any retail food and snack offer. Biscuits and biscuit brands are embedded in UK consumers' lives; a part of our heritage and culture. Elevenses, afternoon tea and dunking are everyday rituals for many consumers.

The category is purchased by nearly every household in the UK, with 1.5 billion<sup>1</sup> purchase occasions every year, and is currently worth £2.5bn<sup>2</sup>. It is traditionally divided in to three segments: sweet, savoury and healthier.

Breaking down the category further into nine subcategories highlights the value drivers:

The chart (right) shows the 'Sweet Everyday' biscuits segment is a volume not a value driver. The 'Healthier Biscuits' segment is the largest driver of value, equal to Special Treats and followed by 'Savoury Biscuits'<sup>3</sup>.

Before the Covid-19 pandemic, healthier biscuits were seeing greater levels of growth, with innovation creating new occasions and driving value growth in the category. During the pandemic, however, consumers changed

their behaviour with a shift to sweet treats and familiar brands. Consumption focused on in-home and shoppers were looking for offers they could depend on and trust.

2021 saw growth within sweet biscuits, while the healthier segment declined.

In a post-pandemic world, we can see the market reverting to pre-Covid trends, as the on-the-go occasion returns and consumers switch back to healthier offers as a part of their daily routines. After the pandemic, healthier biscuits are returning to growth.

To ensure continued growth in your biscuit range, the offer must deliver against consumer needs and occasions, as well as on taste.

New opportunities to drive category value are created when consumer insights are used to bring true innovation to the market and this, in turn, is supported with investment.

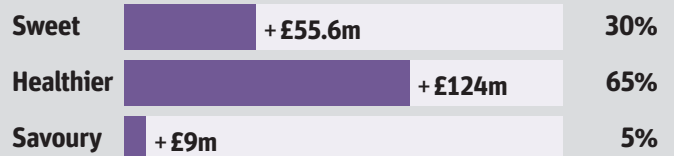
Grow your biscuit category by offering a range based on insight, innovation and investment.

<sup>1</sup> Kantar WPO, Total Market, 52 w/e 06.09.21

<sup>2,3</sup> Nielsen Answers, Total Market, 52 w/e 04.09.21

\* as defined by Nielsen

## Category Growth 2014–2019



The pandemic saw a reverse in trends as sweet grew substantially

RSV full year 2020

Sweet +£92.4m (+6.3%)

Healthier -£58.3m (-9.9%)

Savoury +£28.7m (+6.4%)

As lockdowns ease, we see healthier performance return

RSV L12 weeks 10.7.21

Sweet -£24.8m (-6.3%)

Healthier +£23.6m (+20.1%)

Savoury -£2.7m (-2.5%)

Nielsen RSV 2014-2019, Nielsen FY 2020 to 26.12.20

## Value drivers in biscuits

CATEGORY	VALUE (MAT)	VALUE (TONNES)	VALUE (TONNES)
1 Healthier* Biscuits	£556.8m	61,884	9.0
2 Special Treats	£210.7m	23,475	9.0
3 Savoury Biscuits	£136.3m	17,565	7.8
4 Kids Biscuits	£102.5m	15,270	6.7
5 Crackers & Crispbread	£336.4m	50,533	6.7
6 Chocolate Biscuit Bars	£306.2m	48,744	6.3
7 Seasonal Biscuits	£100.8m	17,761	5.7
8 Everyday Treats	£469.1m	103,930	4.5
9 Everyday Biscuits	£306.5m	120,365	2.5

Source: Nielsen Answers, Total Market, 52 w/e 04.09.21

# MASTERCLASS

## BISCUIT CATEGORY



CREATING SHARING OCCASIONS

### Consumer Trends

## Insights that help bake biscuits right

**A**t Mondelez International, we have extensive knowledge of consumers. Our recent studies have identified five key trends that, in turn, are instrumental in driving our innovation and investment.



### Wellbeing

Many consumers are placing a higher focus on their wellbeing – whether that be physical or emotional. In fact, 25% of us are more influenced by health<sup>4</sup> when selecting products than pre-pandemic.



### Sustainability

Consumers are now more conscious of where products come from and the packaging they are in. In fact, 90%<sup>5</sup> of consumers are equally, or more, concerned about environmental issues since the pandemic.



### Value

Good value for money remains important to us, but premiumisation is still a key trend for those looking to treat themselves too. For the first time since the pandemic, consumers are focusing on spending more on quality snacks versus price.

### Occasions

With restrictions now eased, the on-the-go occasion is returning. Sharing will also remain important as we enjoy those moments together.



### Connections

Social connections and special moments have never been more important and consumers are looking to make up for lost opportunities caused by the cancelled celebrations over the past 18 months. Snacks, such as biscuits and confectionery, can play a key role in these moments.



### Savoury Biscuits

## It's all about sharing this Christmas, so get ready

**T**he savoury category has been growing both pre-and during lockdown and, by their very nature, savoury biscuits are a more permissible snack.

As a versatile snack great for sharing and nibbling, Ritz is the number one savoury biscuit brand, helping to provide more options for consumers who are looking for an alternative to crisps.

Ritz is already a seasonal icon and, in 2021, is celebrating 60 years in the market. So get ready for Christmas demand as families once again get together to enjoy golden moments.

Ritz is the number one Christmas savoury biscuit brand, with a value just over £1m and growing by nearly 12%.<sup>6</sup>



# Mondelēz International

## SNACKING MADE RIGHT



### Healthier Biscuits

## Balanced options & healthier biscuits

**T**he healthier<sup>7</sup> biscuit category is returning to growth, with the outlook positive as more consumers become interested in wellbeing. Consumers look for ‘healthier’ ingredients<sup>8</sup> such as oats and other wholegrains, but will not compromise on taste. Consumer demand for healthier options is more prominent in the mornings, when they seek out more functional benefits and attributes, and look for treats to keep them going.

belVita is growing ahead of the category in both volume and value sales and in penetration<sup>9</sup>, frequency and repeat purchase levels<sup>10</sup>.

### Top healthier brands as percentage of Healthier Biscuit sales (%)<sup>9</sup>

belVita	12.2
Nature Valley	10.2
PL	7.5
Fibre One	7.2
Cadbury Brunch	6.0
Nakd	5.5
Eat Natural	5.5
Rice Krispies	5.5
Go Ahead	5.4



belVita offers a proposition that can help keep consumers going<sup>11</sup>, with a recipe made with five different wholegrains and gently baked to preserve the nutritional qualities including fibre and magnesium<sup>12</sup>.

belVita was originally launched as a breakfast brand, creating a new biscuit occasion. However, consumers find belVita delicious at other times of the day, too. In fact, belVita scored highest in taste credentials among consumers within healthier biscuits<sup>7</sup>.

Now, belVita is extending beyond the breakfast occasion

with the introduction of belVita Baked Bars. The whole belVita range has been supported through three campaigns and sampling in 2021, with support continuing through 2022.

<sup>4</sup>IGD Research, 21-22.02.21, 2,001 British shoppers

<sup>5</sup>Sustainability Matters Now More Than Ever For Consumer Companies (bcg.com)

<sup>6</sup>Nielsen Answers Total Market, 52 w/e 04.09.21

<sup>7</sup>As defined by Nielsen

<sup>8</sup>Harris Interactive research by The Grocer, Aug 2020

<sup>9</sup>Nielsen, last 12 weeks to 16.10.21

<sup>10</sup>Last 4 weeks to 16.10.21

<sup>11</sup>Magnesium contributes to normal energy-yielding metabolism.

<sup>12</sup>belVita Breakfast Biscuits have a high content of digestible starch, which is slow-release carbohydrate. Consumption of foods high in slow digestible starch raises blood glucose concentration less after a meal compared to foods low in slow digestible starch

<sup>13</sup>Nielsen Answers Total Market, 52 w/e 04.09.21

### Cadbury Brunch Bar Chocolate Chip...

... is the number one ‘Healthier’ product<sup>13</sup>, containing oats and excelling on taste.

For consumers who want some indulgence combined with authentic ingredients, associated with consumption demand later in the day, Cadbury Nuttier is the ideal product offering. The bars combine 40% fruit and nut ingredients, with a delicious hit of indulgence through Cadbury chocolate. They deliver functional attributes and, importantly, taste delicious, driving category value and bringing new shoppers to the healthier biscuit category.





## Sweet Treats

## Targeting the right treats to the right audience

**B**oth the everyday treat and special treat sub-segments help to drive value in the category and can attract new consumers and encourage trade-up from existing shoppers, provided the total proposition meets consumer needs.

OREO, the world's number one biscuit<sup>14</sup>, appeals to a family audience. Brand investment focuses on a 'playful twist' on culture via iconic and impactful campaigns, successfully targeting a millennials-based audience.



NEW SHOPPERS



NEW SHOPPERS

## Cadbury Fingers

A well-established family favourite, Cadbury Fingers are a great example of innovation and investment leading to growth. The brand has risen 29%<sup>15</sup> year on year by leveraging key Cadbury chocolate flavour trends, making it even more appealing to a wider range of shoppers.

## LU

Newly introduced to the UK, this established French brand is bringing a taste of France to the category and, in doing so, adding value through trading shoppers up from everyday biscuits to special treats. The range offers new tastes and textures, bringing something a little more adventurous and desirable to the category and expanding appeal – for example, new LU Petit Citron a soft lemon-flavoured biscuit, and LU Petit Biscotte, a crunchy cinnamon biscuit.



ADDING VALUE



ADDING VALUE

## Seasonal treats

With connections and sharing occasions so important, a seasonal offer in the category is vital. Retailers can trade consumers up through special treats and sharing options, using our iconic brand to drive seasonal value.



<sup>14</sup> Euromonitor International Limited, Packaged Food 2022 Edition, Sweet Biscuits category definition, % brand share, retail value sales, RSP, 2021 data

<sup>15</sup> Nielsen Scantrack, MAT Value Sales (£), to 04.09.21



## Snacking Made Right

We are making sure our snacks are right for people and the planet – from the raw materials we rely on to the communities we live in and the climate we all need to care for.

We are committed to our Harmony programme, which ensures wheat is locally sourced and farmed in a way that conserves water, cares for the soil, protects biodiversity and reduces carbon emissions. Fifty percent of the products sold in the UK are made with wheat that is sustainably sourced through this programme.