

## BISCUIT CATEGORY



# Ways to healthier biscuit sales

**B**iscuit brands are embedded into our lives. They are a part of our heritage and culture, with elevenses, afternoon tea and dunking part of the everyday rituals for many UK consumers.

Biscuits were purchased by nearly 28m UK households in 2022<sup>1</sup>, more than the previous year, so the category – now worth £3.3bn and growing<sup>2</sup> – should be core to any retail food and drink offer. It can be split broadly into three segments which are also all in growth this year<sup>3</sup>: sweet, savoury and healthier\*.

Shopper missions in the category broadly divide into ‘take-home’ and ‘on-the-go’. Sweet biscuits are the largest segment for ‘take-home’ consumption while healthier\* biscuits and bars over-index among shoppers looking for ‘on-the-go’ options<sup>4</sup>.

More specific biscuit sub-categories highlight the key drivers, with ‘sweet everyday’

biscuits a major volume driver and ‘healthier’\*, ‘special treat’ and ‘savoury’ the highest value drivers (see chart 2).

Brand innovation is really important to the category. But in the current economic environment, where consumers are looking for value<sup>5</sup>, it has never been more important to ensure biscuit ranges deliver against consumer need states and occasions, as well as taste.

Category value is driven when consumer insights are used to bring true innovation to the market, supported by investment. All Mondelez International’s biscuits are driving growth<sup>6</sup> across all key segments, driven by its deep-rooted understanding of consumers and continued investment in its iconic brands.

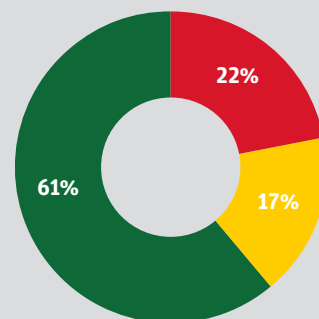
\*As defined by Nielsen. <sup>1</sup>Kantar WPO, Total Market, 52 w/e 30.10.22; <sup>2</sup>Nielsen IQ, Total market incl. discounters, L52 w/e 05.11.22; <sup>3</sup>Nielsen IQ, Total market incl. discounters, L52 w/e 05.11.22; <sup>4</sup>Nielsen IQ, Total market incl. discounters, L52 w/e 05.11.22; <sup>5</sup>IGD ShopperVista 2022; <sup>6</sup>Nielsen IQ, Total market incl. discounters, L52 w/e 05.11.22

**TOTAL BISCUITS**  
£3.3bn +4.1%

**HEALTHIER**  
£728.5m +3.7%

**SAVOURY**  
£565.2m +0.8%

**SWEET**  
£2,021.2m +5.3%



Source: Nielsen IQ, Total Coverage Incl. Discounters w/e 05.11.2022

### Biscuit sales by category

CATEGORY	VALUE (M£)	VALUE (TONNES)	VALUE (TONNES)
1 Healthier biscuits	£728.5m	81,950,781	8.9
2 Special treats	£242.0m	29,140,050	8.3
3 Savoury biscuits	£328.2m	43,447,525	7.6
4 Chocolate biscuit bars	£423.9m	69,118,589	6.1
5 Children’s biscuits	£185.3m	30,303,632	6.1
6 Seasonal biscuits*	£222.6m	37,607,163	5.9
7 Crackers & crispbreads	£198.2m	36,886,547	5.4
8 Sweet everyday treats	£600.9m	129,759,318	4.6
9 Everyday biscuits	£385.3m	148,583,393	2.6

\*Seasonal includes sweet and savoury seasonal and all-year-round assortments  
Source: Nielsen IQ, Total Coverage incl. discounters, L52 w/e 05.11.2022

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



# MASTERCLASS

## BISCUIT CATEGORY



### Key trends

## Understanding consumers

**A**t Mondelez International the consumer is at the heart of everything the company does. It invests heavily in insight to maintain its deep understanding of its consumers. Its recent studies have identified five key trends that are instrumental in driving its innovation and category investment:

### Value

With the current economic conditions, value has become more important than ever. Shoppers are generally focused on saving money and there is greater planning in their shopping behaviours<sup>7</sup>. Almost all households (99.2%<sup>8</sup>) purchase biscuits.



### Wellbeing

Many consumers are placing a higher focus on their wellbeing, whether that be physical or emotional. Demand for alternatives like vegetarian and vegan options are growing, with 49% and 41% of 18- to 25-year-olds respectively wanting to see an increase in such ranges available<sup>9</sup>. Additionally, a significant 81%<sup>10</sup> of shoppers think clarity of nutritional information is important.

### Sustainability

Generally, consumers are now far more aware of products' packaging and where they come from. In fact, 78%<sup>11</sup> of shoppers think that how food is made is important and 77%<sup>12</sup> are aware of packaging, while only a fifth<sup>13</sup> of

shoppers consider sustainability in food and grocery unimportant.

### Events and occasions

While shoppers are focused on value, seasons and events are still relevant as many shoppers browse in-store when it comes to these<sup>14</sup>.



### Connections

Opportunities to connect are really important to consumers, and snacks can play a significant role in these get-togethers.

Shoppers are now opting for more at-home connection occasions, with 44% agreeing that they will eat at home more rather than going out (vs 33% in February 2021)<sup>15</sup>.

<sup>7</sup>IGD Shopper Vista, July 2022; <sup>8</sup>Kantar 52 wks to 30.10.22; <sup>9</sup>IGD Shopper Vista, July 2022; <sup>10</sup>IGD, 2021; <sup>11</sup>IGD, Feb 2022, 'Help me live sustainably'; <sup>12</sup>IGD Shopper Vista, July 2022



### Savoury biscuits

## Snacks with connections

**T**he savoury category accounts for 17% of all biscuit sales<sup>21</sup>. Ritz is the No.1 brand in this segment, and also has the number one product with its classic cracker<sup>22</sup>.

A versatile snack great for sharing and nibbling, Ritz can be enjoyed with a variety of toppings and provides a host of options for consumers with its moreish 'melt in the mouth' taste and authentic quality ingredients. Ritz is always in demand for those special sharing moments and with a heritage of over 60 years, it's a firm family favourite and the number one Christmas savoury biscuit brand<sup>23</sup>.

Growing by nearly 11%<sup>24</sup>, Ritz offers both the traditional Ritz cracker and Ritz Breaks; a format perfect for on-the-go. Ritz classic crackers are non-HFSS, so can be displayed anywhere in-store.

With investment on the way throughout 2023, make sure you offer your customers a savoury option with the No.1 brand at the heart of your range.

<sup>21</sup>As defined by Nielsen. <sup>22</sup>Nielsen IQ, Total market incl. Discounters, L52 w/e 05.11.22; <sup>23</sup>Harris Interactive research by The Grocer, Aug 2020; <sup>24</sup>Nielsen IQ, Total market incl. Discounters, L52 w/e 05.11.22; <sup>25</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>26</sup>IGD Shopper Vista, July 2022; <sup>27</sup>IGD, Feb 2022, 'Help me live sustainably'; <sup>28</sup>IGD Shopper Vista, July 2022

# Mondelēz International

## SNACKING MADE RIGHT



### Healthier\* biscuits

## Following up on wellbeing trends

The healthier\* biscuit category is in growth<sup>16</sup>, with the outlook positive as consumers' interest in wellbeing continues (see chart below).

Consumers look for healthier ingredients such as oats and other wholegrains<sup>17</sup>, particularly in the mornings, when they seek out more functional benefits and attributes, but they will not compromise on taste.

### Positive Energy

belVita is growing ahead of the category<sup>18</sup>, offering a proposition of 'Positive Energy'

### Top healthier brands

belVita	11%
Nature Valley	8%
Rice Krispies	6%
Cadbury Cereal	6%
Fibre One	5%
Eat Natural	4%
Nak'd	4%
Go Ahead	4%
Kind	3%
Trek	3%

Source: Nielsen IQ, Total coverage incl. discounters, 52 w/e 05.11.2022



with a recipe made with five different wholegrains and gently baked to preserve the nutritional qualities including fibre and magnesium<sup>19</sup>.

Yet demand for healthier\* biscuits is not exclusive to the breakfast occasion, with consumers seeking options at other times of the day, as proven by the success of belVita Baked Bars.

### Non-HFSS additions

More recently, belVita has introduced three new non-HFSS products to its range with belVita Fruit Crunch, in Raisin

& Currant and Apple & Pear flavours, and belVita Soft Bakes Filled Apricot.

With a unique recipe that combines delicious fruit and fibre ingredients with a crunchy texture, belVita Fruit Crunch Bars contain under 100cal per biscuit, offering shoppers a lighter option for afternoon snacking or in-between mealtime moments.

Meanwhile, belVita Soft Bakes Filled Apricot is helping to grow incremental sales in the

belVita Soft Bakes range. The new bars are low in saturated fat, giving consumers great-tasting healthier\* alternatives to other category offerings. With TV, digital, social and marketing investment planned throughout 2023, the brand is fixed on a positive future.

### Extending the Cadbury range

Elsewhere, the No.1 healthier\* biscuits product is Cadbury Brunch<sup>20</sup>, a brand that excels on taste.

Cadbury Brunch Oats is now joined by Cadbury Brunch Nuts, combining 40% fruit and nut ingredients with a hit of indulgence through Cadbury chocolate.

Offering permissible ingredients and functional attributes at under 200 calories, these bars also taste delicious, helping to drive category value and bring new shoppers to the biscuit category.

In 2023, a significant marketing campaign will help drive further incremental sales.





## Sweets &amp; treats

## Sweet treats: building a better biscuit future

Everyday treat biscuits are important to the category, being the largest 'sweet' sub-segment, while the 'special treat' sub-segment helps to drive value by attracting new consumers and encouraging trade-up from existing shoppers.

OREO, the world's No.1 biscuit brand<sup>25</sup>, appeals to a younger-than-average demographic<sup>26</sup>, so investment focuses on its playful positioning, linking the brand to popular culture via campaigns that target a millennials audience. The



brand's emotional engagement with consumers is performing a critical role in attracting the next generation of biscuit lovers<sup>27</sup>. For 2023, expect to be blown away by an exciting new partnership with Xbox and increased brand investment.

**Family appeal**

The iconic shareable brand, Cadbury Fingers, has grown over 14%<sup>28</sup> and increased penetration by 3.9 ppt<sup>29</sup> over the past two years by re-establishing its roots in the heart of fun, shared family moments via its recent

campaigns and leveraging key Cadbury chocolate flavour trends. The brand's 'Fingers Big and Small' campaign started by highlighting its broad family appeal, positioning Cadbury Fingers as an everyday treat for moments everyone can share. More recently, its 'Sign with Fingers Big and Small' campaign aims to get Brits started with little lessons in British Sign Language, with the goal of ensuring deaf people do not miss out on moments in the future, and celebrates the role of fingers in helping more people come together and be a part of everyday interactions.

**A taste of France**

Introduced to the UK in 2021, established French brand LU brings a taste of France to the category and, in doing so, adds value through trade-up.



Made with simple and authentic ingredients, the range offers new tastes and textures bringing something a little more adventurous and desirable to the category and expanding appeal. In fact, 56%<sup>30</sup> of shoppers buying LU were purchasing in addition to their current basket spend, so the brand has added incremental sales to the category.

<sup>25</sup> Euromonitor International Limited; Packaged Food 2022 Edition: Sweet Biscuits category definition, % brand share, retail value sales, RSP, 2021 data; <sup>26-27</sup> Kantar, Total biscuit category, 30.10.22; <sup>28</sup> Nielsen, value sales, Total coverage including disc, two years MAT to 06.11.22; <sup>29</sup> Kantar, Total market, Total biscuits (excl. confectionery) 52 w/e 30.10.22; <sup>30</sup> Kantar WPO, Gains/loss summary, 52 w/e 07.08.22

**Snacking Made Right**

Mondelēz International is making sure its snacks are right for people and the planet – from the raw materials it relies on to the communities we live in and climate we all need to care for.

The company is committed to its 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. 65% of the products the company sells in the UK are made with wheat that is sustainably sourced through this programme.