

BISCUIT CATEGORY



Make your biscuits range bite!

Snacks – including biscuits – continue to be important to consumers even in trying times, as they view their favourite snacks as affordable and necessary indulgences¹. Biscuits were purchased by more than 28m² households in 2023, and the category is truly embedded into the UK's heritage and culture, with moments like elevenses, afternoon tea and dunking truly a part of consumers' everyday lives.

Worth £3.7bn³, and growing in value and volume⁴, the biscuits category splits into three segments: sweet, savoury, and healthier*. Each of these segments is growing in value⁵, and the sweet biscuit category – containing key brands such as OREO – is the largest segment. It has grown by 21.3%⁶ and has risen in volume⁷ year-to-date. Brands account for more than 70%⁸ of sales.

The category can be broadly divided into two main shopper

missions: take-home and on-the-go. Within take-home occasions, sweet biscuits are the largest segment; while healthier biscuits and bars are more often bought for the on-the-go occasion⁹.

Biscuits should be a core part of any retail food and drink offer, and should cover both take-home and on-the-go missions to meet all potential need states and occasions, while also delivering on taste.

Category value is driven by understanding and insight into shoppers to meet those different consumer need states, and category innovation is truly differentiated to offer something new. Stores can grow their biscuit sales with a range based on consumer insight, innovation and investment.

* As defined by Nielsen; ¹ Mondelez International, 2022 Global Consumer Snacking Trends; ² Kantar Worldpanel, Total coverage, 52 w/e 01.10.23;

³ Nielsen IQ, Total coverage incl. discounters, 52 w/e 28.10.23; ⁴ Nielsen IQ, Total coverage incl. discounters, MAT to 04.11.23; ⁵ See 3; ⁶ See 3; ⁷ See 4-5; ⁸ See 3

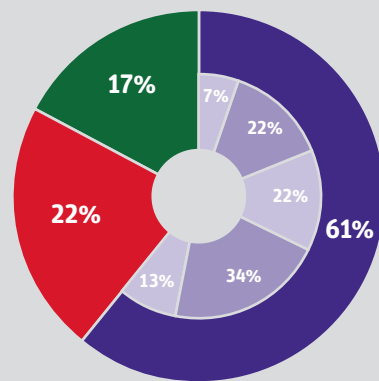
Total category value and share split

TOTAL BISCUITS
£3.7bn

SWEET:
£2.1bn
– CHILDREN'S: £200m
– CHOCOLATE BISCUIT BARS: £466m
– EVERYDAY BISCUIT: £466m
– EVERYDAY TREAT: £713m
– SPECIAL TREAT: £279m

HEALTHIER:
£749m

SAVOURY:
£586m



Source: Nielsen IQ, Total Coverage incl. discounters, 52 w/e 28.10.23

Branded manufacturer shares	£m
Pladis	616
Mondelez International	339
FBC	258
Nestlé	134
Kelloggs	90
Bahlsen	44
Tunnock	68
Lotus Bakeries	85

Source: Nielsen IQ, Total Coverage incl. Discounters, 52 w/e 28.10.2023

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



MASTERCLASS

BISCUIT CATEGORY



Key trends

Consumer connections

Ensuring the latest consumer need states are met is the key to optimising any biscuit range. Consumers are at the heart of everything Mondelez International does, and the company invests heavily in insight to ensure it maintains a deep understanding of those shoppers. Through this, it identifies key trends and bases its innovation and category investment on these.

Value

Value for money is more crucial than ever as shoppers look for affordable, familiar treats during challenging times. However, value has different meanings to different consumers. While price remains important, with 71% of shoppers claiming total price has become more important to them in the last six months¹⁰, value is more than just price – it encompasses a range of factors such as time, quality, gift worthiness, experience and reward. So, though value is – and will continue to be

– important for shoppers, they are prepared to balance these elements across their total needs, rather than focusing simply on price.

Mondelez International continues to cater for all customers with a variety of different products, with a portfolio that offers something to suit all shopper needs.

Wellbeing

Despite 85% of shoppers saying they have healthy eating priorities, 57% still buy food and drink with the intention of treating themselves¹¹. This increase in focus on wellbeing

can be physical or emotional. Demand for vegetarian and vegan alternatives is growing¹², while moments of indulgence continue to be increasingly important, particularly for younger adult consumers¹³ as a way of winding down and reducing stress.

Sustainability

Consumers are now much more aware of the packaging of products, and where a product comes from. In fact, 78%¹⁴ of shoppers think that how food is made is important, and 77% are aware of packaging, while only a fifth¹⁵ of shoppers consider

sustainability in food and grocery to be unimportant.

Occasions

Consumers are spending more evenings at home¹⁶ as a cost-effective way of spending time with their loved ones, so home consumption will continue to be important through 2024 and beyond. This will continue to provide an opportunity for the ‘night in’ occasion.

Connections and events

Many consumers associate snacks with connecting with others¹⁷, and food is often an integral part of socialising. As many as 7 out of 10 consumers believe sharing snacks with others is their love language¹⁸. Moments that bring consumers together, such as sporting events or seasonal gatherings, are all potential opportunities for biscuit sales.



¹⁰ IGD Research, 1,501 UK shoppers 24-28 March 2023; ¹¹ IGD Shopper Vista, Sept 2023; ¹² IGD Shopper Vista, July 2022; ¹³ Watchme think/Mintel: The not so healthy snacking habits of Gen Z/Cajole UK 2021; ¹⁴ IGD 2021; ¹⁵ IGD February 2022; ¹⁶ IGD Research UK, Channel forecast 2020 to 2028; ¹⁷ Mintel Cost of Living Crisis report, 2023; ¹⁸ MDLZ 2022 State of snacking

Mondelēz International

SNACKING MADE RIGHT



Sweet sensations

Meeting consumers' sweeter needs

Sweet biscuits is the largest segment of the biscuit category and can be divided into further sub-segments based on the shopper need state they are bought for. The segment is growing in both value and volume¹⁹, with brands OREO, Cadbury Fingers and Timeout also in value and volume growth²⁰.

Value growth in sweet sectors

Children's	+19.6%
Chocolate biscuit bars	+17.4%
Everyday biscuits	+29%
Everyday treats	+24%
Special treats	+19.8%

Source: Nielsen IQ, Total coverage incl. discounters, 52 w/e 28.10.2023

Everyday treat

Everyday treat is the largest sub-category in sweet biscuits (by value), with brands such as OREO helping drive value and trade-up opportunities from the everyday biscuits segment.



OREO plays a significant role in this category by appealing to younger-than-average biscuit buyers.

Investment in OREO is focused on its playful positioning, linking the world's No.1 biscuit²¹ to popular culture via campaigns that target Gen Z and millennial audiences. This positioning helps the brand engage emotionally with its target consumer, performing a critical role in attracting the next generation of biscuit lovers. OREO will see increased brand investment for 2024, kicking off the year with another blockbuster partnership campaign, this time with the computer game icon Pac-Man.

Shared family moments

Cadbury Fingers has seen value growth of 11.7% in the last 12 months²². Established in 1897, the brand has re-established its emotional connection as

the heart of fun shared family moments.

In 2023 the brand's 'Sign with Fingers Big and Small' campaign got Britain started with little lessons in British Sign Language, with the goal of ensuring deaf people don't miss out on any conversation, while also celebrating the role of Cadbury Fingers in helping people come together for everyday interactions.



Special treat category

The special treat category, which is ideally placed for shoppers looking for a snack to help them de-stress, has seen strong growth of 19.8% from 2022 to 2023²³.

LU is a brand that is tapping into the treat trend, offering customers a quintessential taste



of France to enjoy when they are at home thanks to its mix of simple, authentic ingredients inspired by traditional French recipes.

The LU range was the No.1 brand launch in adult sweet biscuits in 2022²⁴ and is continuing to grow by 13%²⁵, with the launch of Le Petit Ganache in January 2023 adding further variety and choice for shoppers.

The range now has the number one repeat rate in the special treat category – currently at 40.8%²⁶ – and is seeing its best weekly sales performance yet²⁷.

¹⁹⁻²⁰ Nielsen IQ, Total coverage incl. discounters, MAT to 04.11.23; ²¹ Euromonitor Int. Ltd; Snacks 2023 ed. Sweet Biscuits brand share 2022 retail value sales; ²²⁻²³ Nielsen IQ, Total coverage incl. discounters, 52 w/e 28.10.23; ²⁴ Nielsen IQ, Total coverage excl. discounters, 31.12.22; ²⁵⁻²⁶ Kantar Worldpanel, Total coverage, 52 w/e 01.10.2023; ²⁷ Nielsen, Total market RSV growth, MAT to 02.09.23



Healthier* and savoury

Healthier options for all

The healthier* biscuit category is in growth and generates the highest value per tonne of all the category sub-segments²⁸. As consumer interest in wellbeing is set to continue, healthier biscuits have a positive outlook.

belVita, the UK's No.1 healthier* biscuit brand²⁹, offers a proposition of 'Positive Energy', with a recipe of five different wholegrains and a host of delicious flavours and textures, including non-HFSS recipes. With the highest scores in taste credentials within its

category³⁰, belVita offers the ideal combination of taste and nutrition. To continue to meet the demand for healthier offers through the day and beyond breakfast, belVita Baked Bar Dark Chocolate & Orange has been introduced. The belVita brand will continue to expand its non-HFSS range going forward, supported by significant investment.

For shoppers looking for the iconic taste of Cadbury in their mid-morning snack, Cadbury Brunch Oat Bars are available in Chocolate Chip, Raisin, Bournville, and Peanut options. The range has seen strong growth of 12% over the past year³¹ and has recently

been expanded with Cadbury Brunch Nuts, combining 40% fruit and nut ingredients with chocolate for a convenient on-the-go snack and a re-energising boost.

The savoury category accounts for 17%³² of all biscuit sales. Ritz, No.1 brand³³ in the segment, has the No.1 overall savoury biscuit product³⁴ with its classic cracker. Up 18.1%³⁵, the Ritz classic cracker is non-HFSS, so can be displayed anywhere in-store.

The Ritz brand recently launched a multi-channel campaign with a humorous and relatable advert that brings to life a common scenario many hosts face when entertaining.



'Ritz: Ready When You Aren't' plays on the hilarity of the often-chaotic lead-up to guests arriving. The campaign was rated 'exceptional' by experts, with 99% of viewers recognising the brand within the first few seconds³⁶.

*As defined by Nielsen; ²⁸⁻²⁹ Nielsen IQ, Total coverage incl. discounters, 52 w/e 28.10.23; ³⁰ Healthier Biscuits EDD - 02.22; ³¹ Nielsen Value Sales, MAT w/e 29.07.23; ³² See 28-29; ³³⁻³⁴ Nielsen, Total coverage, incl. discounters, MAT to 26.08.23; ³⁵ See 28-29; ³⁶ <https://tinyurl.com/2bw36ebx>



Snacking Made Right

Mondelēz International is making sure its snacks are right for people and the planet – from the raw materials, to communities and climate. 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.