

Sweet treat insights to maximise your wholesale success

A market report from
Queensland Bakery



Queensland
Bakery Co.

Contents

04.

Catering for our ever-changing world

05.

How convenience retail is evolving in 2023

08.

Three cultural trends that could be affecting your business

15.

Why HFSS regulations don't have to impact your success

16.

Five on trend flavours and formats to super-charge your sales

19.

Five lifestyle trends to bring your business into 2023

21.

How we support businesses like yours

The background of the image is a collage of various baked goods. At the top, there are several blueberry muffins in brown paper liners, some of which are inside a clear glass display stand. To the right, there is a stack of round cookies on a wooden board. Below the cookies, there are slices of bread or cake. In the bottom left corner, there are chocolate brownies or bars with white icing drizzles. In the bottom right corner, there are small pastries or tarts in paper liners, some with white cream and fruit toppings. A large, semi-transparent orange rectangle is overlaid in the center of the image, containing white text.

**Queensland Bakery Co
manufactures and supplies
ambient, frozen and bake
off sweet baked treats for
wholesale, retail, out of home
and food service customers.
We keep a careful eye on
the market, trends and your
customers, to help you stay
ahead of the competition.**

Catering for our ever-changing world

While UK hospitality businesses have been hit hard by soaring energy costs, labour shortages and supply challenges, 75 per cent of industry leaders believe trading conditions will improve in the year ahead.ⁱ

While the world may seem a challenging place for businesses right now, the opportunity to create pockets of joy in consumers' lives is greater than ever. While purse strings are being tightened for many, sweet treats deliver a dopamine hit without the price tag of a meal out or a major purchase.

Consumers will continue to turn to sweet treats, in good times and bad, for a little reward or some much-needed comfort. So, whether your wholesale customers are serving up an on-the-go snack from their convenience store, or providing a moment of 'me-time' in a high traffic coffee shop, getting the flavours and formats right for different businesses' needs is key to success. And our latest report shares some of the trends, behaviours and opportunities you'll want to be aware of to keep your sweet treat ranges selling at volume.



How convenience retail is evolving in 2023

There's no denying that Covid changed the way we shop. Add to that a cost of living crisis and it's no surprise that convenience retailers are having to think on their feet to respond to the ever-changing needs of a demanding, multi-faceted customer base.

And while the pandemic is behind us and many experts are predicting a slow-down of the economic downturn, there are some changes to convenience retailers' businesses that are likely here to stay.



FROM: In-store or online shoppers
TO: Channel agnostic

As shopping habits continue to evolve, developing a strong omnichannel strategy is likely to be key to many of your customers' ongoing success. Being able to go where the people are, whether that's a physical location, an online store or a seamless combination of the two, switching their strategy and offer fluidly will create new opportunities in both product, format and delivery.

Now the focus is more around convenience and eating well at home, with many restaurants continuing with some of the offers they created during the pandemic. For example, Spring in London turned its eat-in into a grocery store during lockdowns, and has continued to provide fresh produce, as well as meal kits and eat-in offers, now the hospitality trade is open again, to cater to the varied needs of its customer baseⁱⁱ.

FROM: Long-term NPD
TO: Quickly tapping into online trends

Convenience retail is increasingly offering businesses the chance to tap into online trends and flex their offer to maximise sales. For example, a Londis store in Weymouth launched a dessert bar focused on products trending on TikTok, tapping into the Gen Z market and driving footfall from a customer segment that may not have used the store's standard offer.

Baked goods have a high profit margin, plus can increase a convenience retailers' basket spend as customers pick up essentials alongside their on-trend sweet treatⁱⁱⁱ. So, having that on-trend product on shelf quickly can drive footfall that drives much greater sales benefits for your wholesale customers.

“The landscape for convenience retail has changed significantly in the last couple of years, with consumers demanding better quality and value alongside the ease they may have previously been prepared to pay a little more for. And while they still like the experience and in-store theatre of features like an in-store bakery, they're more concerned about getting the great food they love at a price they can afford”

Nathan Fowler

Managing Director at Queensland Bakery





FROM: Splurging for a special occasions
TO: Everyday luxury for less

As consumers cut back on meals out as the cost of living crisis bites, there are increasing opportunities in the convenience market as shoppers look to replicate dining out at home for a fraction of the cost^{iv}.

Tesco has already responded to consumer demand, cutting the price of its Finest Dinner for Two, with a main, side, dessert and alcoholic drink for just £12, as shoppers demand better value for money, but aren't prepared to compromise on quality or their little treat.

FROM: Baked from scratch
TO: In-store bakeries without the hassle

While in store bakeries offer a point of difference for food retailers, the practicalities of managing multiple mini manufacturing operations across a large estate can be challenging. And while the boost the smell of freshly baked sweet treats can have on sales is undeniable, the need for 'from scratch' baking has lessened.

Both Asda and Tesco have already scrapped scratch baking in their in store bakeries, swapping to bake-off products (Tesco) and pre-baked goods delivered daily (Asda) to streamline their operations and respond to a shift in consumer buying behaviours^v.

Three cultural
trends **that**
could be
affecting your
customers'
business

1 The evolving world of work

With many businesses choosing to rethink their ways of working post-pandemic, the impact on food to go chains and convenience retail in city centres and high traffic areas has been clear to see. Immediately post-Covid, the top 75 food to go chains shed 103 locations, and while bounce back has been strong for the likes of Greggs, Pret and Cooplands, their focus and offer has changed since 2020.

For example, Pret is planning to launch more than 200 new locations over the next two years^{viii}, focusing on regional and suburban areas rather than urban work environments. It's also trialling pop ups in Tesco stores and petrol stations to expand its reach beyond the office crowd, as the need for retail convenience options grows.

And while the frequency of purchase for food to go and out of home snacking may be decreasing, consumers are looking to treat themselves when they buy food on the go or stock up on convenience options to enjoy at home, whether that's with combinations they can't replicate or little touches of luxury with ingredients they don't keep in their own kitchens.

84%

of workers forced to work from home during the pandemic would prefer to continue with hybrid working.^{vi}

85%

of coffee shop customers used to visit at least once a week, only 56 per cent have kept up that frequency post-Covid.^{vii}

THE GOOD NEWS:

As many Brits have adopted a flexible working lifestyle, the need for snacks on the go is growing, with research from Kantar suggesting individually wrapped cakes are growing at +8.2 per cent following their flat performance in 2020. Small cakes like muffins and mini loaf cakes, the biggest segment in the category, are also seeing growth of +5.7 per cent.



“While workers may not be back to the office five days a week, hybrid workers wanting to treat themselves on an office working day, and home workers looking for an easy buy-ahead lunch option to buy in advance are an important market for food to go, convenience and out of home. There’s still money to be made from the 9 to 5 crowd if you pitch your product mix and offer right for the new world of work, and wholesalers can support their customers in providing this by getting their stocks right”

Nathan Fowler

Managing Director at Queensland Bakery

2 The cost of living crisis

As consumers start to feel the pinch of rising energy prices and see price hikes across all their everyday essentials, you might think that a coffee and cake with friends or a weekend brunch treat would be the first thing to go.

And while 46 per cent of consumers say they will cut spending on eating out this year^{xi}, it seems balance is still important to consumers with a little disposable income still to spend. The British Retail Consortium expects the growth rate of retail sales to pick up in the second half of 2023^{xii}, as consumers tired from the hangover of Covid and the gloom of the new economic crisis find small ways to live for the moment.

That's not to say the challenges for food to go, out of home eating and retail treat sales won't be significant. But focusing on how they create moments of joy in challenging times could be key to your customers' continued success.

**NEARLY
90%**

of consumers will be looking to save money on discretionary spending like eating out in the next year.^{ix}

The UK food-to-go market is set to be worth

**£23.4
billion**

by 2027, up 26 per cent from its 2019 value^x

THE GOOD NEWS:

While the cost of living crisis may be making many consumers think twice about that restaurant meal out, more affordable options like food to go and small sweet treats on the go are still on the menu^{xiii}. Consumers want to cut their costs, but don't want to remove all the pockets of joy from their lives.



“When times are tough, consumers rethink the big ticket purchases and indulgences. But if you’re foregoing a new car, TV or weekend away, spending on a coffee and cake or pastry on the go that still allows you to treat yourself seems like a small price to pay.”

Claire Palmer
Head of Marketing

3 A little of what you fancy

In the past, a healthy lifestyle was more about what you didn't have than what you did. And while clean eating trends and weight loss are still a concern for many consumers, a growing trend for mindful eating – and treating – means cakes and treats are no longer off the menu.

Small indulgences and snacks with added nutritional benefits like fruit, seeds and protein sources, or treats that cater to a dietary need, like plant-based, gluten free or reduced sugar, give health conscious consumers the ability to treat themselves without losing out on the indulgence they're craving.

And because 79 per cent of consumers believing that supporting their mental wellbeing has a positive effect on their overall wellness^{xv}, it really is the case that 'a little of what you fancy does you good'.

73%

of shoppers are looking for healthier cake options.

6 OUT OF 10

consumers say everyday moments of happiness are how they treat themselves.^{xiv}

THE GOOD NEWS:

While food labelling and marketing changes can seem like another hurdle for food businesses to get over, a growing awareness of nutrition amongst the average consumer can be a positive if you get your product offer and labelling right. According to the British Nutrition Foundation, 64 per cent of consumers say they check nutritional information labels^{xvi}, with 41 per cent paying particular attention when buying a new food item, to help them get the balance they want in their diets.



“Balance is the key to health and many consumers are becoming more open to treating themselves as part of their holistic health regime. That may mean choosing smaller portions of an indulgent treat, choosing cakes and pastries with added natural ingredients, or aligning the treats they buy to a particular way of eating, like plant-based. And while it’s challenging to meet all of the needs of today’s health-conscious consumer, understanding what they are looking for can really help focus your product choice”

Brett Fowler
Sales Director

HEALTH IN FOCUS:

Why HFSS regulations don't have to impact sweet treat sales

New restrictions on products high in fat, sugar and salt (HFSS) could lead to some of the most significant changes to UK food and drink retailers in years, limiting the placement and promotion of HFSS products.

Each product is rated by a 'Nutrient Profile Score' with negative points for calorie density, saturated fat, sugar and sodium, and positive points for protein, fibre, fruit, vegetables and nuts. Foods that score four or more and drinks that score one or more are classed as HFSS products.

So while traditional cakes, bakes and treats might not fare well in retail spaces, the consumer trend for 'a little of what you fancy' could actually serve businesses well.

At Queensland Bakery Co, we recognise that consumers will always crave indulgent treats. We offer individually wrapped bars and snacks perfect for wholesale sales to coffee shops and retail, and we're looking into creating portion-controlled products at less than 100 calories a serving to promote responsible treating. We're also exploring how we can reduce sugar, fat and salt from our treats by utilising alternative ingredients but without compromising on taste.



Five on trend flavours and formats to keep your wholesale offer up to date

While classics like a great chocolate brownie or the perfectly chewy cookie will always be on the menu, supplying on trend flavours and formats is key to helping your customers drive repeat visits to their out of home, food to go and convenience retail businesses.

Whether they need ready to slice sweet treats to pass off as their own or pre-wrapped treats ready to grab and go, keeping your wholesale offer fresh is always good for business.



#1. Retro favourites with a modern twist

Nostalgia has been a key food trend for some time now, with luxury modern twists on old school classics driving sweet treat NPD. Think baked Alaska doughnuts, Pavlova cakes and even luxe pop tarts.

According to research from Innova, 37 per cent of consumers of all ages are looking for traditional and nostalgic flavours, with unique and different flavours mattering most to a quarter of consumers^{xvii}. So, combine the two, and you're sure to be on to a winner.

#2. Loaded everything

Less is more right? Not when it comes to bakery. The trend for cakes and bakes with elaborate toppings seems to be here to stay, from artisan doughnuts to brownies and traybakes, sprinkles, drizzles and contrasting textures bring a fresh perspective on familiar formats.

And it's not just sweet treats getting the loaded treatment. How does a savoury Danish filled with a pepper béchamel and topped with whipped Parmesan and pickle sound? Puts that lunchtime cheese and pickle sandwich to shame...

#3. Show-stopping traybakes

Traybakes are perfect for high volume out of home food sales, and for pulling off that home-baked look on a commercial scale. But we're not just talking brownies and flapjacks – there's so much NPD in this area right now.

Think confetti cake with strawberry icing and sprinkles, pistachio cake with prosecco buttercream and strawberry jam or coconut and lemon drizzle. Traybakes let you tap into all the latest flavour trends, ready to slice and serve up at scale.

#4. Plant-based indulgence

Where vegan used to be a niche diet choice, plant-based and flexitarian are now mainstream consumer trends, covering every category in convenience food retail and out of home eating.

According to Fortune Business Insights^{xviii}, the global vegan food market is predicated to grow by 12.95 per cent to 2028, and ongoing newness will be key to its sales potential. And with innovation like artisan doughnuts, indulgent stuffed salted caramel cookies and Lotus Biscoff cake, why wouldn't you choose a vegan option instead?

#5. Snacks, but smaller

According to Mondelez International, 86 per cent of consumers want smaller portion size treat options, so they can still enjoy the taste without the extra calories.

Mini bites in sharing packs have been a real success for retail brands like M&S for years, but offering perfectly formed individual treats in bulk for your customers to serve up on their café counter or food to go section could help maximise your customers' sales with shoppers who might otherwise have passed on dessert.





10 ingredients

to inject newness into your sweet treats range this year

- Passionfruit
- Lemonbalm
- Tonka
- Matcha
- Cardamom
- Rose
- Camomile
- Bergamot
- Courgette
- Turmeric

“We’re always scanning the horizon for the next big trend and looking for ways to bring fresh flavours to the mainstream. Our customers are asking us for on trend flavours and innovative formats that can be bought in bulk but could pass for home-made, and our bakers are always working on new options to bring variety into different hospitality and convenience retail settings’ .”

Brianna Matley
NPD Technologist

Five lifestyle driving retail strategy and NPD in 2023

#1. Doorstep delivery

Covid drove a huge increase in home deliveries and since lockdown, demand for delivery has continued to grow. Consumers can now get almost anything they want direct to their door, with café chains like Costa Coffee and Greggs jumping on the home delivery trend.

Deliveroo saw sales 60 per cent higher in 2021 than 2020, with more and more lunch, grocery and coffee and cake options being added to the big delivery apps every day. So, there's opportunity to target customers wherever you find them – at work, on the go, or on the sofa.

#2. Fine eating, not dining

While a trip to a fancy restaurant is still the indulgence of choice for many UK consumers, since Covid, it seems the focus has flipped to be all about the food, not the fuss. So, while quality, luxury and a touch of something special is high up on foodies' wish lists, according to The Food People^{xix}, consumers are more likely to choose a homely gastro pub than an opulent bistro these days.

And that trend can be translated into coffee shops, cafes and travel, where flavour and innovation can drive real customer loyalty.

#3. Bake at home

While you might enjoy binge-watching *Is it Cake?* on Netflix, not many of us have the time in our busy lives to laminate, prove, bake and ice to get the sweet treats we love at home. So, frozen bake at home cakes and pastries are the perfect way to find middle ground. According to Markets & Markets Research (USA), the total global frozen bakery market will grow from \$22.3 billion in 2021 to \$29.5 billion by 2026, at an average annual growth rate of 5.8 per cent.

From ready to bake croissants to slice and bake cookie dough, bake at home isn't a new thing, but it's an area wholesalers could capitalise on to help their café and convenience retail customers to boost sales – for example, to allow customers to buy a ready to eat pastry today and a bag of the same product frozen for breakfast tomorrow.



#4. All day snacking

While the rule for healthy eating used to be ‘three square meals a day’, the rise of the ‘little and often’ eater has meant snacks have become a huge opportunity for food to go and out of home food businesses.

According to WSGN^{xx}, 64 per cent of global consumers prefer snacking over traditional mealtimes, a number that’s climbed 5 per cent since 2019. And this casual grazing culture is opening opportunities to bring familiar food items into unexpected occasions. For example, US brand Evergreen’s has taken its mini waffles off the breakfast table, introducing whole grains and all-day flavours like Zucchini and Carrot, Chocolate Chip and Matcha, and Peanut Butter and Banana to offer the same format in multiple flavours across every time of day.

#5. Drive thru

Drive past any retail park on a weekend and you’ll see that drive thru is going strong, and growing. More than 70 per cent of UK consumers under the age of 30 say they’d use a drive thru from their favourite food to go brands if they were more readily available, with 40 per cent of over 50s loving the convenience too^{xxi}.

And with Starbucks, Costa Coffee, LEON and Greggs all opening more drive thrus year on year, food formats that can easily be passed through a car window and eaten on the go are likely to continue to grow in demand.

How we
support
**wholesale
businesses**
like yours

Our family bakery has been making cakes and sweet treats for more than 130 years, helping businesses serve up the very best bakery products. From pre-packed to ready to slice, ready baked or frozen to bake off in store, we work closely with wholesalers, with the aim of boosting your portfolio with high quality bakery items your customers – and theirs – will love



With 900+ big-name customers it's likely you've already seen and even tasted our cakes and bakes. We deliver a wide range of traditional and on-trend freshly baked cakes and sweet treats to some of the biggest cafes, attractions and retailers, bringing the taste of a local bakery to all kinds of locations.

Our creativity, insight and innovative ideas shape everything we do, and our dedicated development kitchen team go the extra mile to replicate existing wholesale cake recipes, create bespoke flavours and formats and bake seasonal cakes and trending treats to grow your sales.

We support wholesale customers with:

Product development

Our dedicated NPD team can work with you to develop new wholesale offers from muffins to traybakes, loaf cakes and cookies. With new seasonal flavours introduced regularly, as well as white label bakery options, we offer a relevant and tasty range of wholesale sweet treats perfectly tailored to what your customers need.

State-of-the-art bakery facilities

We develop and produce wholesale bakery products in our BRC Grade A, state-of-the-art commercial bakery on a continual basis to ensure we meet the demands of a dynamic market.

Market insights

We keep our eye on trends, consumer behaviour and market performance to help you make the right decisions on the wholesale sweet treat products to support your customer base.

Supporting business development

We review trends and evaluate what impact these can have on your offer, and we'll use this information to advise you as best as we can.

Help with portfolio management

We'll work with you to review and update your portfolio to ensure your product range is always performing at its very best.

A collage of various baked goods including cakes, breads, and traybakes. The items are arranged in a grid-like fashion, showcasing a variety of flavors and textures. The background is a light, neutral color, making the baked goods stand out.

Our products

We take our inspiration from both traditional recipes and the most on-trend flavours, catering to all dietary needs from vegan to flexitarian.

Brilliant bakes in bulk

Need large volumes to satisfy wholesale-sized demands? Our state-of-the-art bakery can deliver large volumes of great value cakes, cookies and traybakes to maximise profit margins without compromising on quality.



Frozen treats for flexible businesses

We offer a full range of sweet treat options in both bake off and thaw and serve options to allow businesses to buy in bulk without wastage, with frozen products on-site and ready to go to meet ever-changing consumer demand.

Ready to sell food to go brands

When your customers need bakery products they can get straight on the shelves, our two retail brands are the ideal solution. For classic cakes and bakes like Bakewell slices, flapjack and chocolate brownies, our Marybake range covers a range of recipes and formats made for grab and go moments.

For a more indulgent eat, our Lewis & Baker range uses the best ingredients to serve up delicious, convenient treats for even the most discerning customer.

Bespoke recipes to set your business apart

Got a food trend you're dying to try? Our in-house product developers and bakers can work with you to create bespoke treats perfectly tailored to your business and customers' needs.



Queensland Bakery Co.

**Ready to explore the opportunities open
to your wholesale business this year?**

☎ 023 8026 9926

✉ hello@queenslandbakery.com

in linkedin

🌐 queenslandbakery.com

i <https://www.worldcoffeeportal.com/getdoc/8b73c48f-a832-4bd2-9ba9-3a30ea89c9d7/Global-coffee-shop-trends-to-watch-in-2023>

ii TPF report

iii <https://www.conveniencestore.co.uk/have-your-say/the-convenience-market-in-2023-challenges-trends-and-opportunities/674618.article>

iv The convenience market in 2023: challenges, trends and opportunities

v <https://bakeryinfo.co.uk/finished-goods-reports/how-are-in-store-bakeries-evolving/672849.article>

vi <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/ishybridworkingheretostay/2022-05-23>

vii Allegra World Coffee Portal, 2021

viii British Baker Bakery Market Report The 2022 Edition

ix <https://www.bighospitality.co.uk/Article/2022/11/25/Rising-cost-of-living-to-hit-spend-in-foodservice-in-2023-says-report>

x <https://www.grocerygazette.co.uk/2022/07/26/uk-food-to-go-market>

xi <https://www.theguardian.com/business/2022/dec/29/two-thirds-of-uk-consumers-plan-to-cut-non-essentials-in-2023>

xii <https://www.retailgazette.co.uk/blog/2023/01/consumer-trends-retail-2023>

xiii Lumina Intelligence 2022

xiv <https://www.britishbakels.co.uk/wp-content/uploads/sites/2/2022/11/Bakels-Global-Bakery-Trends-2023-web>

xv <https://www.bakeryandsnacks.com/Article/2022/11/22/What-will-drive-the-healthy-snack-space-in-2023>

xvi <https://www.nutrition.org.uk/news/2021/british-nutrition-foundation-survey-reveals-62-of-britons-have-altered-their-diet-to-get-healthier-in-the-past-year>

xvii <https://www.britishbakels.co.uk/insights/global-trends-in-bakery-2023>

xviii <https://www.fortunebusinessinsights.com/vegan-food-market-106421>

xix <https://thefoodpeople.co.uk/infographics/trends-whats-hot-22-23>

xx https://www.wgsn.com/fd/p/article/6345fffdb49cddb97b36c193?lang=en&_gl=1*rkuuwm*_ga*MjU2ODM4ODYzLjE2Nzc0NDM3MjE.*_ga_3N1Q1PKH1F*MTY3N-zQ0MzcyMS4xLjEuMTY3NzQ0Mzc2OS4wLjAuMA..#page4

xxi <https://www.worldcoffeeportal.com/getdoc/8b73c48f-a832-4bd2-9ba9-3a30ea89c9d7/Global-coffee-shop-trends-to-watch-in-2023>