



**NMI is an international strategic marketing consultancy, specializing in health and wellness since 1990 with full service strategy development and market research resources.**

## **Custom, Primary Research**

- **Brand Strategy/Positioning/Expansion**
- **Concept Development/Validation**
  - **Ideation and Prioritization**
  - **Communication Strategies**
- **Full Qualitative and Quantitative Research Services**
  - **Market Assessment and Industry/Sector Sizing**

## **Syndicated Data**

**Custom Data Mining**

**Sponsorship &  
Subscriptions**

**Published Reports**

**Third Party  
Segmentation Linkage**



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## trengths of the Baking Industry



- **Baked goods align with consumer emotions**
  - One-third state they choose foods based on whether they make them feel good emotionally
- **Whole grains are on trend – a healthier choice**
  - 85% purchased whole grain foods in past year/ubiquitous
- **The bakery-fiber connection aligns with wellness**
  - Three-quarters purchased /one-quarter increased use
- **Supports grazing/many small meal trend**
  - Half want healthy foods to be eaten on-the-go
- **Specialty foods (e.g., artisan breads) align with post-recession splurges**
  - Half of Americans use specialty/gourmet foods

# Weaknesses of the Baking Industry



- **General product association with not-so-healthy products**
- **Off trend given ‘fear of carbohydrates’**
  - 45% try to avoid/eat less carbs to manage weight
- **Sweet bakery a disconnect with healthier lifestyles**
  - Over half watch sugar content in diet
  - #1 most often item checked on label
- **Gluten-free trend (or fad) driving consumers away from industry**
  - One-third of Americans state use of gluten-free products

# O pportunities of the Baking Industry



- **Organic industry growing at double-digit rates**
  - One in five Americans increasing usage
- **Natural products becoming ‘cost of entry’**
- **Clean-label and simplicity trends**
  - Short number of recognizable ingredients – minimally processed
- **Many products can be health-related (fortified and/or functional)**
  - Creating products with real nutritive value (not just empty calories)
- **Gluten-free products finally tasting better**
- **Innovative ‘non-wheat’ ingredients**
- **Innovative sweetener alternatives**
  - Over 30% want natural, no-calorie sweeteners

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## hreats to the Baking Industry



- **GMO's**
  - One in three concerned about genetic engineered foods...
- **Continued manifestation of low-carb movement**
- **Full calorie sweet goods have unhealthy halo**
  - Almost 6 in 10 search for foods with lower sugar content
- **Fresh, less processed trends limit pre-packaged/frozen products**
- **Constant need for true innovation**
  - Recognize fads versus trends
- **Home baking cannibalization**



**PAGES FOR MODERATOR**

# Consumers are Using Products with Specific Dietary Attributes That Can be Harnessed for Growth in the Baking Category

(HWTD 2012 – Q19 - % GP indicating they use the following food and beverage products)

Whole grain	85%
High-fiber	74%
Low fat	71%
Low sugar	64%
Low carbohydrate	54%
Low glycemic	34%
Gluten-free	32%



**1.6%**  
*Cumulative Annual Growth  
2006-2012*



# Consumers are Making Choices Based on “*What is Inside*”

## Bread

- **83%** of US consumers think wholegrain/multigrain bread is generally healthier than white
- **73%** think breads high in fiber are healthier than those low in fiber
- **52%** think it is important to avoid high sodium, fat, High Fructose Corn Syrup



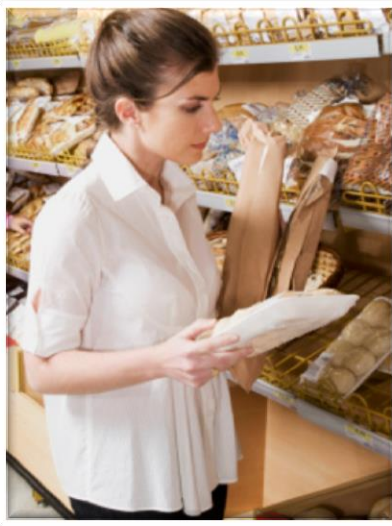
## Cakes & Pies

### Characteristics of importance:

- **50%** of US consumers cited high fiber
- **48%** all natural
- **47%** wholegrain
- **33%** organic







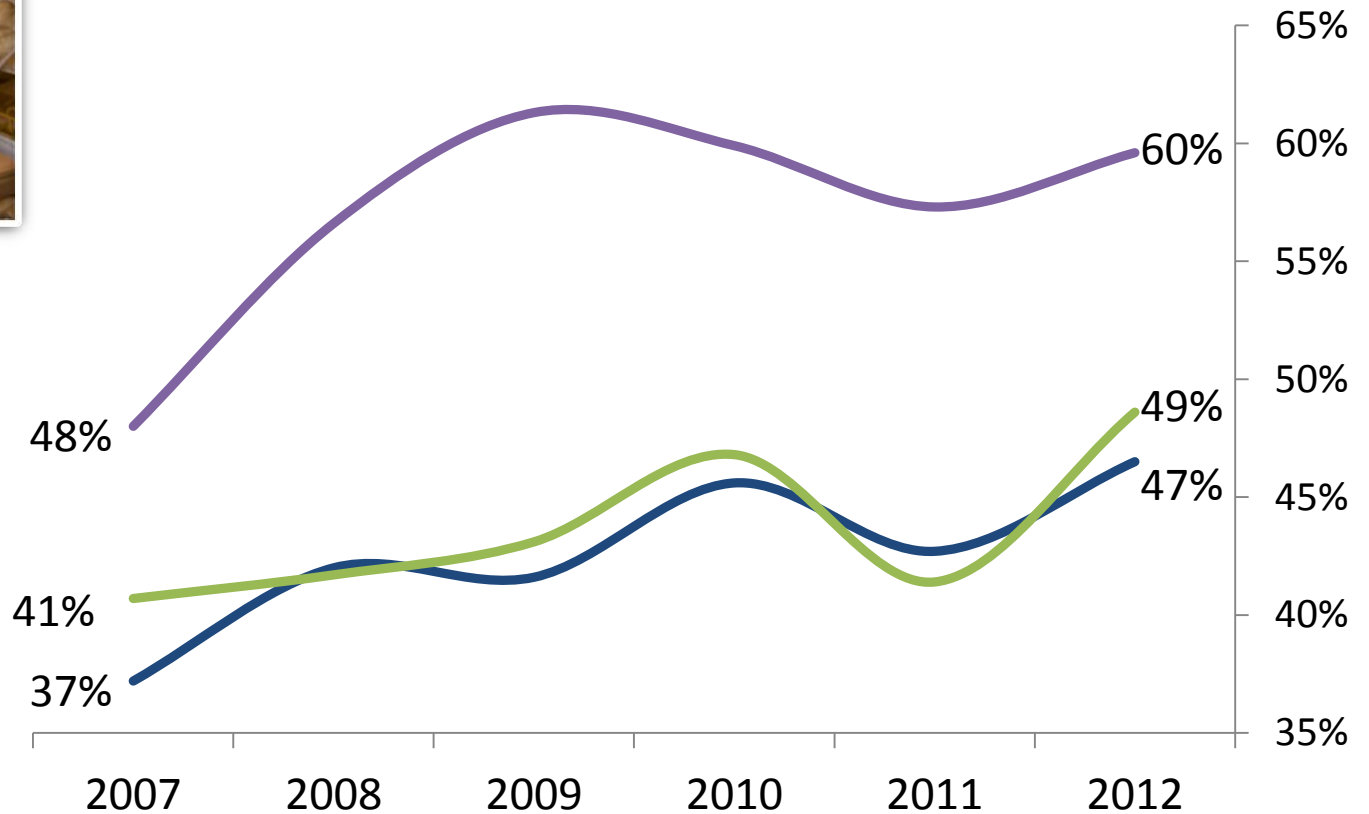
# Consumers are Looking for Products That are Clean & Simple

(HWTD 2012 – Q25/34 - % GP indicating they agree completely/somewhat)

I prefer foods that are minimally processed

I avoid products containing high fructose corn syrup

I look for foods & beverages with a short list of recognizable ingredients



# Carbohydrates are Under Attack!

(HWTD 2012 – Q3 - % GP indicating they have done the following)

**Eating less carbohydrates in the past year when trying to maintain or manage their weight**

