



# Bakery boom

**Bakers are reinventing their products  
to help consumers indulge sensibly**

Bakery products are the ultimate comfort food. They invoke memories of the taste and smell of fresh-baked bread at family dinners, the rich indulgence of a favorite cake or cookie recipe.

But at the same time, consumers are progressively aware that these foods often contain high sugar content and carbohydrates. This has left many people facing a bit of a conundrum – whether to indulge or not – especially as they endured the difficulties of the COVID-19 pandemic.

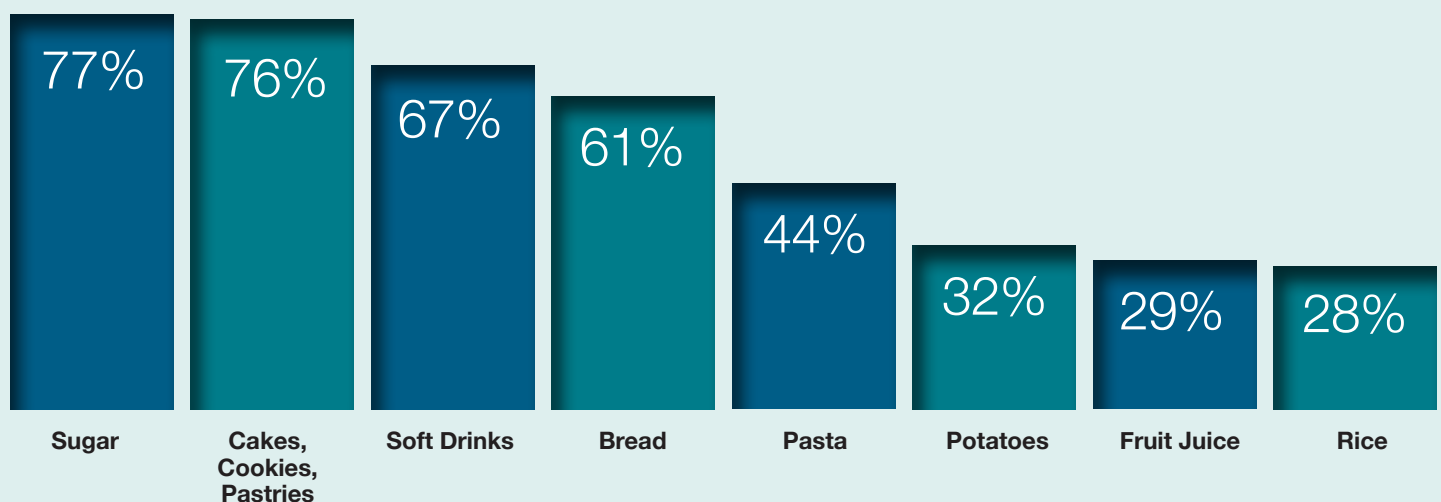
To be sure, the pandemic did prompt many people to turn to indulgent foods for comfort and stress relief, especially in the early days of 2020. But as the pandemic progressed, many realized that these indulgences were not sustainable, which eased them back to former eating habits<sup>1</sup> and a desire to indulge sensibly, with a renewed focus on customized diets, nutrient intake and added function.<sup>2</sup>

This consumer “split personality” is really nothing new in the \$400 billion global baked goods industry,<sup>3</sup> where consumers have long had varying attitudes about products within the segment. In fact, according to Innova Market Insights, it is almost impossible to lump the two main bakery categories – bread and cakes – in the same basket. The former is generally perceived as a daily staple with health and nutrition properties, while the latter is seen as an occasional indulgence.<sup>4</sup>

As such, bakery formulators, from the early gluten-free days, have been attuned to creating products with less of the perceived “bad” and more of the perceived “good.” But this trend is reaching unexpected heights as consumers elevate their search for better and fewer carbs. In fact, the concept has been named the number-one trend in *New Nutrition Business’ (NNB) “Ten Key Trends in Food, Nutrition and Health in 2022,”* for the second year in a row, noting that creative new products are giving consumers permissible ways to eat their favorite carb-laden foods.<sup>5</sup>

While consumers are receptive to a variety of new ingredient options in their favorite baked goods, it’s important to first understand their conflicted attitudes about carbohydrates and bakery foods. Consumers in the U.S. consistently say that sugar and carbs are the most likely sources of weight gain,<sup>6</sup> while a five-country survey from NNB rates sugar, as well as baked goods, as some of the most common foods they try to avoid.

## Carbohydrate foods that people claim to be trying to consume less of



## Bread vs. cake

While consumers are clearly looking for better-for-you options, there are some differences and similarities among bakery consumers, according to Innova. For example, consumers tend to be more adventurous in trying new cake concepts than breads, with 44% of consumers noting they would experiment with flavor choices in a cake, compared to 33% who said this about bread.<sup>7</sup> There is also a significant preference for strong, innovative flavors in cakes, while consumers prefer milder, more familiar tastes in bread.

Attitudes about bakery products also differ regionally. For example, in most parts of the world, bread consumption is most common at breakfast, but lunch is a first choice in many parts of Europe.<sup>8</sup> Cakes, on the other hand, are most often eaten as an afternoon snack, but North Americans frequently eat cakes as an evening snack, the Innova analysts report.

There are also similarities among cake and bread eaters. Taste remains the most important attribute for both, and freshness is a high-quality indicator for both, although a bit more important in breads than cakes.<sup>9</sup>

## Bold and better-for-you bakery

The good news is that there are several strategies to help give consumers a little bit of everything they want from their bakery food favorites. Providing products with less sugar is probably at the top of the list.



**Nine in 10 consumers now note that they are at least a little bit influenced by sugar reduction claims, especially in sweet treats.<sup>10</sup>**

That said, replacing or lowering sugar content in bakery products is complicated, due to sugar's varied functions. But alternative sweeteners, like those from stevia leaf and polyols, such as erythritol, can create modest reductions in baked items like cookies, muffins and cakes, with minimal changes to taste and texture.

The rising concern about gluten has been another important driver of trends in bakery, leading the way for plant-based solutions. Although most baked goods are plant-based to begin with, there has recently been a shift toward using healthier and more sustainable alternatives for butter, eggs and wheat. New flour alternatives from a variety of fruits and vegetables, including bananas, kale and even sweet potatoes, are now re-creating the mouthfeel and texture of traditional baked goods better than ever.

Plant-based ingredients are also bolstering bakery products' nutritional profile. Added fiber, for example, is a natural fit in many bakery items, because consumers already accept whole grains in these products and understand their nutritional benefits. And with more than half of consumers noting they want to consume more fiber in their diets,<sup>11</sup> consumers are amenable to a variety of fiber-fortified baked goods, ranging from crackers to muffins.

Added protein is another key trend in many food and beverage categories, and bakery is no exception. More than six in ten U.S. consumers say they are trying to consume more protein,<sup>12</sup> so it's an easy leap to try high-protein baked goods. Plant-based proteins, such as peas, soy and flax, are now very effective in adding protein while replacing eggs or dairy in these products, while achieving similar taste and functionality.

But as with sugar replacement, replacing wheat, eggs, butter and cream in bakery does take formulation expertise and may require a blend of ingredients, depending on the application to attain the same functionality and product attributes.

## Baked-in success

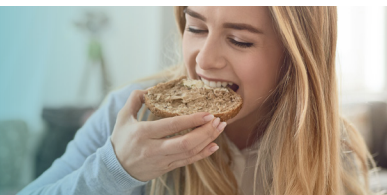
Looking ahead, there are a number of key opportunities that will gain ground in the bakery category. Beyond upping the basic nutritional profile, consumers will increasingly look for specific health benefits in bakery products, just as they do in other foods and beverages. In baked goods, this will likely give rise to new products that tout health benefits like immunity. A number of immune boosters are already trending in the bakery category, including botanicals like turmeric, fibers like beta glucan and omega-rich oils. These ingredients could see additional traction.

Probiotics represent another intriguing opportunity in bakery foods, although these delicate ingredients cannot withstand much processing, which has been a deterrent. The solution may lie with postbiotics that are fermented outside the body. These ingredients don't have to remain alive like probiotics, but still contain beneficial metabolites that help support the gut and immune response. Postbiotics are pH-stable, less sensitive to heat and increasingly studied for their potential emerging health benefits, such as supporting immune health.

Although function is gaining relevance in bakery, fun is another important aspect that should not be discounted. In this era of social media, the share-ability of these products will continue to resonate for consumers, especially those in younger generations. And it seems like the more outrageous they get, the better. From unexpected combinations such as the cronut (a cross between a croissant and a donut) to novel or nostalgic flavors and colors, baked goods that break the mold and inspire fun, curiosity and “likes” on social media will continue to attract attention.

**And finally, sustainability will only increase in importance as consumers continue to link what they eat and its impact on the environment. Bakery products that contain sustainable ingredients or double down on local options and artisanal methods are a good start. Another step is responsible use of resources and eco-friendly packaging that will help differentiate brands and justify premium pricing.**

Better-for-you bakery starts here: [cargill.com/bakery](https://cargill.com/bakery).



<sup>1</sup> International Food Information Council (IFIC). “2021 Food and Health Survey.” <https://foodinsight.org/2021-food-health-survey/>

<sup>2</sup> NPD Group. “Eating Patterns in America. 36th Edition, 2021.”

<sup>3</sup> Euromonitor International. “Baked Goods in the U.S.” December 2020.

<sup>4</sup> Innova Market Insights. “Bakery Consumers are Split in Attitudes Towards Breads and Cakes.” April 14, 2021. <https://www.innovamarketinsights.com/press-release/bakery-consumers-are-split-in-attitudes-towards-bread-and-cakes/>

<sup>5</sup> *New Nutrition Business*. “Ten Key Trends in Food, Nutrition and Health 2022.” <https://www.new-nutrition.com/>

<sup>6</sup> Ibid. IFIC.

<sup>7</sup> Ibid. Innova Market Insights.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Innova Market Insights. “Cutting Sugar and Boosting Protein in Better-for-you Sweet Treats.” February 24, 2021. <https://www.innovamarketinsights.com/press-release/cutting-sugar-and-boosting-protein-in-better-for-you-sweet-treats/>

<sup>11</sup> Ibid. IFIC.

<sup>12</sup> Ibid.

<sup>13</sup> Akatsu, H. “Exploring the Effect of Probiotics, Prebiotics and Postbiotics in Strengthening Immune Activity in the Elderly.” *Vaccines (Basel)*. 2021. February 8;9(2):136. <https://pubmed.ncbi.nlm.nih.gov/33567790/>