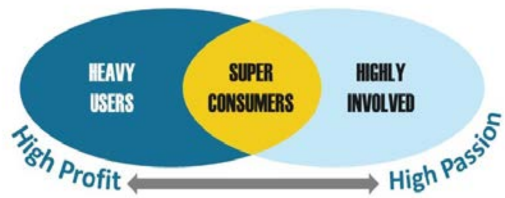
INTERNATIONAL DAIRY DELI BAKERY ASSOCIATION

Research Brief #6

Growing the Pie with Bagels

Project Overview

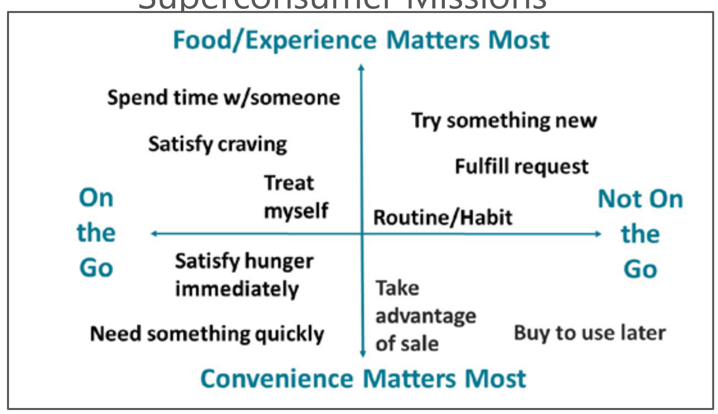


In Stage 1 of IDDBA's superconsumer research project, we learned how bakery superconsumers used food to improve their lives and how converting potential supers to spend more like a super could impact the industry. In this new phase of research, we've focused on how grocery can re-capture a fair share of the household food spend, as these days more is spent on food at restaurants than grocery. To do this, we dug deeper in to our categories; in this case by interviewing bagel supers, who made purchases at food service and grocery, to understand their motivations. Using these insights, we devised ways to increase in-store spend and trips and tested these concepts via a Nielsen Homescan survey and focus groups to provide *new* consumer-focused strategies.

What did we learn from superconsumer purchase behavior?

Superconsumers have many types of bagel 'missions', or objectives, which fall in to four categories: Convenience Matters Most, Food/Experience Matters Most, On the Go, and Not on the Go. Most bagel missions occur at breakfast rather than lunch, but bagels are eaten at home, in the car, or at work. Supers are open to purchasing more at grocery, but key quality and convenience gaps must be addressed to be competitive. Superconsumers would ideally like grocery to make the dough and bake the bagel and to offer a variety of spreads located next to the bagel display. They also prefer to select their own assortment and for an in-store bakery to have its own cash register.

Superconsumer Missions



What's the impact of a bagel superconsumer?

Bagel superconsumers are 10% of households who drive 22% of grocery bagel sales and 27% of food service bagel sales. About 63% of all US households consume bagels, 7.8 million of which are superconsumers. By implementing the first of our three recommendation waves, we estimate that in-store sales could increase by $50-$100M and trips by 5%.

78M
bagel eating households

How can this help grow the industry?

Now that we understand the motivations behind a purchase, we know how to give bagel superconsumers more of what they want. By implementing the consumer-focused concepts that were developed, tested, and brought to life in our research, grocery can increase superconsumer spend and the spend of *potential* superconsumers— the 20% of households who really like bagels, but spend less. These retail concepts are designed to maximize the opportunity with consumers already in the store, but they can also increase the number of weekly trips and basket size to help grocery capture its fair share of the food dollar.

To find out more

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Visit the superconsumer page at iddba.org
Read the full reports available in July 2018