

Cookies

Cookie sales increased, with encouraging results in the mini cookie subcategory.

BY KIM GAWRONSKI

RETAILERS WELCOMED POSITIVE SALES IN THE COOKIE CATEGORY IN THE PAST YEAR, as the segment posted above-average results compared to similar categories in the bakery department. Average cookie sales increased \$48 (5.6%) per store per week to \$911 during the 52-week period ended Aug. 29. Cookie contribution to total bakery department sales averaged 9.7% during the time frame, an increase from 9.5% during the previous tracked period.

The cookie category includes the subcategories of everyday cookies, iced cookies, message cookies, specialty cookies, mini cookies, cookie platters, other cookies, filled cookies, assorted/variety/bulk cookies and cookie dough mixes. Everyday cookies represented the largest portion of all dollar sales, with 57.9% share for this period. Iced cookies had the second largest dollar share of 15.7% in the total U.S. Specialty cookies and cookie platters accounted for 6.8% and 5.3% dollar share respectively, while message cookies, other cookies and mini cookies held 4.5%, 4.3% and 4.1% dollar share respectively. Filled cookies and assorted variety bulk cookies contributed very little to the category's dollar share at 1.2% and 0.1% respectively. Cookie dough

mixes posted very little dollar sales.

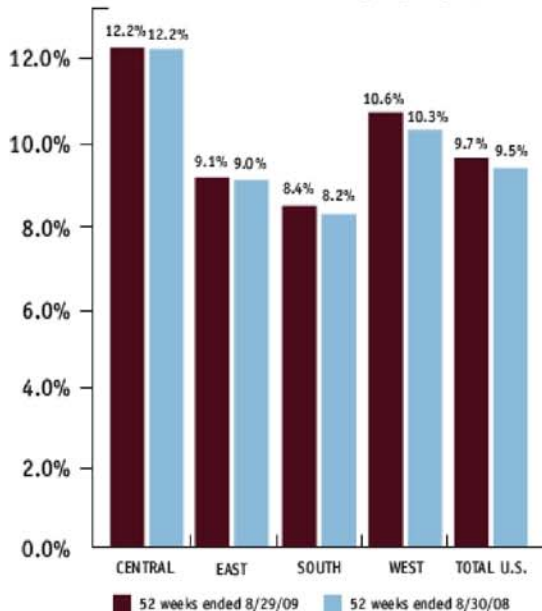
Cookie dollar sales were sound during the past year, with major sale peaks during the traditional holidays. Outside of expected holiday peaks, the strongest sales months for the cookie category were October, May and June. January dollar sales for the category were lower than average, likely due to New Year's resolution diets. Everyday cookies' dollar sales performance was well above the other subcategories for the entire period, while iced cookies drove the cookie category during holiday peaks. Everyday cookies had the most success the first week of June, with \$677 per store per week. Dollar sales of iced cookies had two major peaks—the week of Dec. 29 with \$405 per store per week and again the week of Feb. 14, with \$410 dollar sales per store per week. Cookie platters had significant sales increases in the last two weeks of December with dollar sales at \$321 and \$312 per store per week.

Nationally, assorted/variety/bulk cookies and mini cookies posted the largest sales increases, up 59.4% and 25.1% respectively for the 52-week period. Message cookies increased dollar sales, up 9.5% during the period. Dollar sales for everyday cookies, specialty cookies and cookie platters also increased 6.5%, 5.4% and 5.3% respectively. Cookie dough mixes and

Cookies average weekly dollar sales per store by region



Cookies average weekly contribution to total bakery by region

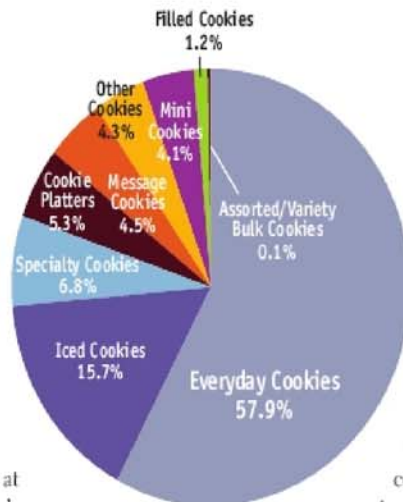


other cookies were the only subcategories to decline nationally, down 30.8% and 3.8% respectively. All regions' dollars sales decreased in these two categories.

Cookie sales were greatest in the East, which sold \$1,264 per store per week, up 5.4% compared to the previous 52-week period. The region outperformed the national average by \$353. There were sales increases in seven of the 10 cookie subcategories. Overall, cookie sales in the East accounted for 8.9% of all bakery sales.

The Central region sold the next highest amount at \$1,226 per store per week, an increase of 4.3% versus last period and the smallest gain of any region. The region performed better than the national average, with \$315 more per week in dollar sales and posted sale increases in most of the subcategories. Everyday cookies had the most significant growth, up 6.3% in dollars per store per week with its 59.1% category dollar share. Filled cookies, specialty cookies, message cookies and mini cookies increased dollars sales 14.1%, 6.5%, 6.0% and 5.6% respectively. Cookie sales in the region accounted for 12.2% total bakery sales, unchanged from the previous year.

The West sold cookies at \$977 per store per week, an increase of 7.7% versus year ago, despite the fact that only four of the 10 subcategories posted positive dollar sales. Mini cookies led dollar growth in this region, up 133.5%, followed by everyday cookies, which increased 10.3% com-



Dollar contribution to department by subcategory

pared to last year. Message cookies and cookie platters posted sales increases of 9.3% and 9.0% respectively. Assorted/variety/bulk cookie sales were flat, while decreases occurred in the remaining subcategories.

The South had the lowest cookie sales at \$620 per store per week, an increase of 4.4%. This region mirrored the national cookie performance with increases in all cookie subcategories, except other cookies and cookie dough mixes, down 4.0% and 60.9% respectively. Mini cookies' increase of 14.2% and cookie platters' increase of 11.6% had an important effect in the South due to their higher category dollar share of 9.0% in total. Total cookie sales in the South represented 8.1% of bakery sales, down 0.2% from last year.

Cakes are the preferred dessert in the South, thus cookies face tough competition in this region. □

This sales review is provided by Chicago-based Perishables Group, an independent consulting firm focused on innovation and creating value for clients in the fresh food industry. Reported results are for Sept. 6, 2008 through Aug. 29, 2009, representing approximately 62% of national supermarket ACV share. For more information, contact Perishables Group's Kelli Beckel at 773-929-7013 or KelliB@perishablesgroup.com.

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