

Specialty Desserts Offer Opportunity

The instore bakery department at the local grocery store provides plenty of satisfying options for consumers with a sweet tooth. One bakery section in particular, specialty desserts, provides an affordable yet luxurious option, whether shoppers are treating their family or entertaining a crowd. As the category continues to evolve, there should be no problem in finding just the right item for a particular need.

Specialty desserts include éclairs, dessert platters, cannoli, cream puffs,

fudge, cobblers/crisps and dips/covered fruit. Nationally, sales accounted for an average of 0.9 percent of bakery department dollar sales per week per store during the 52 weeks ending October 31, 2009. Specialty dessert contribution sales were flat versus the previous year.

Nationally, the category averaged dollar sales of \$89 per week per store, up 7.8 percent from \$83 the previous year. The top week for total U.S. specialty desserts was the week of Valentine's Day, with average per-week-per-store

sales of \$181. Dipped/covered fruits drove category sales for this holiday week. Other key holiday weeks, including Easter, Mother's Day, Thanksgiving and Christmas, also registered increases in sales, as consumers purchased specialty desserts for holiday gatherings.

The East region had the greatest specialty dessert dollar sales, with an average of \$137 in sales per week per store, while the South registered the highest specialty dessert contribution to total bakery department dollar sales

Figure 1

Specialty Desserts Average Weekly Sales Dollars Per Store by Region

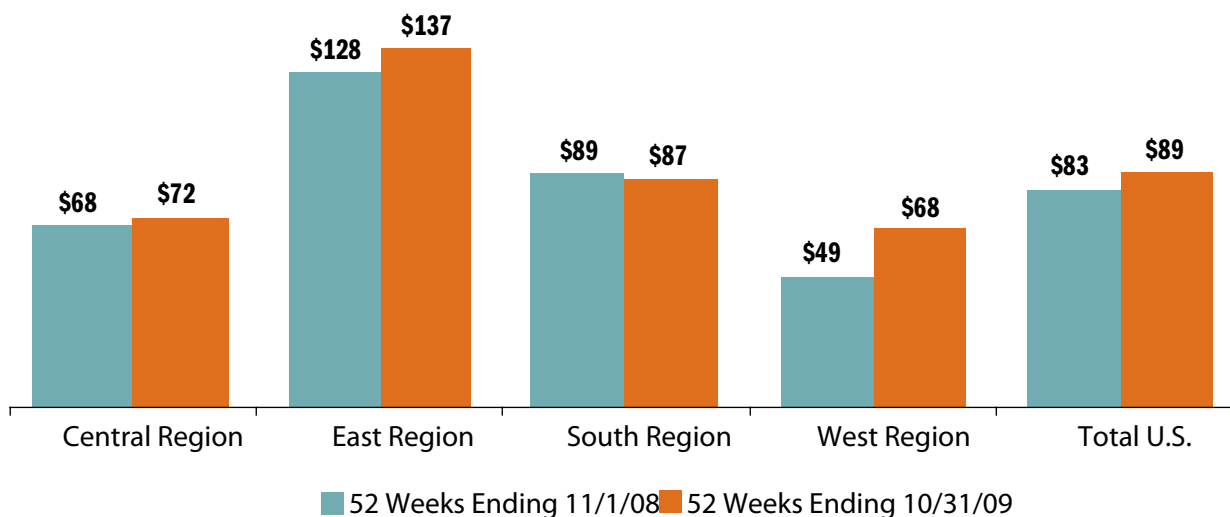
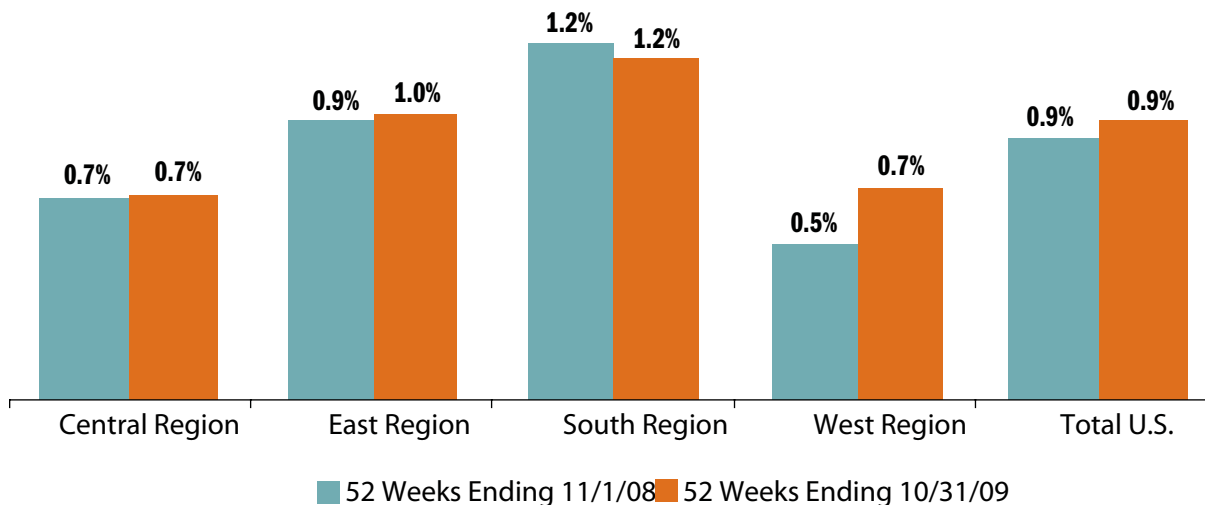


Figure 2

Specialty Desserts Average Weekly Contribution to Bakery Dollars by Region



at 1.2 percent. Conversely, the West region had the lowest per-week per-store average, at \$68, and the West and Central regions had the lowest contribution to total bakery department dollar sales, with an average of 0.7 percent category contribution.

Average category dollar sales were up in all regions except in the South, where it was down 1.9% when comparing the 52 weeks ending Oct. 31, 2009, versus the previous year. In the West, specialty dessert dollar sales grew 39 percent, led primarily by the growth in the éclairs and cream puffs subcategories. The average category contribution to total bakery sales increased in the West and East regions while remaining flat in the Central and South regions. Specialty dessert category dollar sales outpaced the total bakery department dollar growth

in all regions except the South, where total bakery department dollars grew 1.8 percent and specialty dessert dollar sales fell 1.9 percent.

Nationally, éclairs led the category with 37 percent dollar share of the category, followed by cream puffs at 12.7 percent, cannoli at 12 percent, other miscellaneous desserts at 10.3 percent, fudge at 8.8 percent, dipped/covered fruits at 6.4 percent and cobblers/crisps at 4.1 percent. All other specialty desserts—consisting of custards/puddings, napoleons, dumplings, baklava, dessert tray and trifles—made up the rest of the category at less than 3 percent each.

Other miscellaneous desserts, fudge and cobblers/crisps lost slight category dollar share to éclairs, cream puffs, cannoli and dipped/covered fruit for the 52 weeks ending Oct.

31, 2009, versus the previous year. As consumers continue to prepare more meals at home, there is an opportunity to grow specialty desserts, as these are difficult for consumers to replicate in their home kitchens. Retailers can offer an array of dessert options and include them in meal solution ideas.

This sales review is provided by the Perishables Group, Inc. (PG), Chicago, Illinois, an independent consulting firm focused on innovation and creating value for clients in the fresh food industry. Reported results are compiled from retailer grocery stores nationwide, representing approximately 64 percent of national supermarket ACV share.

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