

The power of fresh at panaderías

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Fresh products and fresh designs of cakes, breads and pastries make powerful statements to your customers. They are the pillars to your current and future success. Remember the power of emotion in driving impulse sales.

“People are looking for unique flavors and tastes,” says Yolanda Chavez, owner of Panaderia La Central in Avondale, Arizona. “A lot of times they come here looking to buy cakes, and they find so much more than that because we offer everything. Every customer has different tastes, and we do our best to keep up with them.”

To continue to be successful, it is important to understand the latest consumer trends to stay out in front of your customers and provide them with creative new ideas and interesting flavors of products that they will want to buy.

At El Rancho Gilbert in Mesa, Arizona, owner Ernesto Rascon says that they are adapting to changing demand with flavorful products like quesadilla salvadoreña, which they bake in pie pans and muffin tins. This gives their customers a choice of two sizes of these moist and sweet pound cakes. “We add a little bit of cream cheese that moistens them,” Rascon says. “The flavor is excellent.”

Bread and baked foods bring shoppers to stores at least once per week, according to the inaugural Power of Bakery 2019 Report from The American Bakers Association (ABA) and Food Marketing Institute (FMI).

The most effective ways to prompt impulse purchases, according to the report, is to conduct sampling, offer coupons and present eye-catching displays of fresh breads and cakes.

“Fresh” is the universal winner of production-related claims that matter to consumers, according to the Power of Bakery report. “Fresh” and “baked today” are easily the two most popular production-related claims out of the list of 12 options, as mentioned by seven in 10 shoppers overall and nearly eight in 10 Boomers. When asked to define freshness, particularly as it relates to functional bakery items, shoppers first point to the date and time.

A majority of shoppers either pay no attention or some attention to healthier options when it comes to buying indulgent items and desserts, according to the report. In some cases, certain customers are seeking to buy smaller portion sizes of indulgent desserts. “Particularly with indulgent items, people want a product that knocks their socks off. They just want it a little smaller,” says Robb MacKie, president and CEO of the ABA.

According to a 2019 study from Culinary Visions, when it comes to choosing between healthfulness and indulgence, consumers are split. About 48% of consumers agree that when it comes to snacking on the go, they don’t care about healthfulness. The study reveals that consumers do not necessarily view fresh and healthfulness as one and the same.

While 74% of shoppers typically purchase functional items at their primary food store, conversion is much lower of indulgent items/desserts (63%) and special occasion items (40%). Significant numbers of shoppers have a dual-store strategy, in which they purchase center-store groceries in one store and bakery items in another, according to Power of Bakery. Channel switching is highest for special occasion items, such as birthday cakes/cupcakes, and lowest for functional items. Stand-alone bakery specialty stores take a majority share of the switchers across all three categories.

In other trends, convenience and entertaining “are growing like gangbusters,” says Jonna Parker, fresh foods market research expert with IRI. “There is a consumer need for convenience, and that’s what we need to be talking about.”

Also, Hispanic bakery products are on the upswing across the country. By 2020, roughly half of Gen Z, Y and X will be multicultural, says Terry Soto, noted author and adviser on multicultural markets. "Consumers of other cultures are just consumers. They have the power to grow sales," she says, noting the Hispanic market is now at \$1.7 trillion.

Soto advocates six steps to success: see the future, keep an open mind, understand core market changes, define consumption and buying behavior, get to know customers personally, and organize to take action.