Sweet biscuits struggle in the UK

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Sales of sweet biscuits in the UK are declining, largely due to growing consumer health consciousness, according to a new report from Euromonitor International â€“ â€œPackaged Food in the UKâ€•.

Euromonitor International's research shows that between 2004-2005, sweet biscuits declined by 4.89% in value terms. Chocolate-coated biscuits, sweet biscuits' largest subsector, experienced the most dramatic decline, showing a value loss of 9.5% over the same year. Only cookies witnessed any significant value growth, as a result of consumers trading up to more indulgent and more expensive biscuit varieties.

Healthier snacks prevail
Snacking between meals and skipping meals is becoming more common in the UK, as consumers are increasingly leading busier lifestyles. Euromonitor International's research shows, however, that instead of eating snacks like sweet biscuits, consumers are choosing healthier alternatives, such as snack bars, to fill the void between meal times. As a result, snack bars grew by an average of 16.22% per year between 2000-2005.

New products both healthy and indulgent
To give flagging biscuit sales a lift, manufacturers introduced new products to the UK biscuit market, but at very different ends of the spectrum. While some new product developments catered to health conscious consumers, others were designed to be purely for indulgence.

In January 2005, Burton's Foods moved into better-for-you biscuits with the introduction of two new products - Cadbury's Highlights Mallows and Cadbury's Highlights Wafers. Using the Cadbury's Highlights brand, a well-established low-calorie hot chocolate beverage brand, the company aimed to move into the better-for-you market by targeting women consumers who still want a treat, but without the fat and calories of a typical biscuit.

The market's leading player, United Biscuits UK, on the other hand, capitalised on consumer interest toward premium cookie varieties by launching two new products. In June 2005, the company launched McVitie's Choc Chip'n'Chunk and McVitie's Hazelnut Choc Chip'n'Chunk, both of which claim to contain 20% more chocolate than Burton's Maryland Cookies. Containing a decadent combination of chocolate chips and chocolate chunks, these cookies are geared towards chocolate lovers, rather than those watching their weight. Although Euromonitor International's research shows that cookies were the only sweet biscuits subsector experiencing growth, it remains one of the smallest, taking up only 9% of total sweet biscuit value sales.

Outlook bleak for sweet biscuits
Euromonitor International predicts the sweet biscuits sector to continue to struggle in the next five years, as UK consumers are expected to continue to opt for healthier snacks. Government proposals to ban unhealthy snacks from school vending machines, including chocolate-coated biscuits, may also have an effect on sales. The overall sweet biscuits sector and the chocolate-coated subsector are both expected to decline by an average of 1% per year between 2005-2010. The cookies sector is expected to show growth over the forecast period, but only by 0.3% per year.

In the next five years, manufacturers will seek to add value by developing adult-oriented premium biscuits, as well as those suitable for eating on the go. Continued developments in better-for-you biscuits are also expected, as manufacturers seek to develop products that will satisfy UK consumers desire for both healthy and tasty treats.

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