



Market Report

A Snapshot of your Marketing Sector

Homemade Cakes and Confectionery

This pack has been designed to provide information on setting up a business in the **Homemade Cakes and Confectionery** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **August 2025**.

What do I need to know about the Homemade Cakes and Confectionery market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ In 2024, sales of cakes, cake bars, and sweet baked goods in the UK **rose by 2%, surpassing £3.9 billion**. This marks a significant slowdown compared to the 12% growth seen in 2023. Through to 2029 will see the market grow by 16% over 2024-29 to £4.57 billion. **Own-label products account for two-thirds of retail value sales of cakes, cake bars, and sweet baked goods**. This highlights the challenge brands face in standing out, as they strive to differentiate their products in meaningful, distinctive and hard-to-replicate ways (Mintel, *Cakes, Cake Bars and Sweet Baked Goods – UK – 2025*, May 2025).
- ◆ The bakery goods production market in the UK is forecast to generate revenue of £11.4 billion in 2024, rising to reach £14 billion in 2029 (IBISWorld, *Bakery Goods Production in the UK*, May 2025).
- ◆ Bakery product retailing in the UK is entering a period of transformation shaped by intense competition, shifting consumer preferences, digital innovation and rising operational costs. In 2024-25, revenue is expected to fall 5.9% to reach £3.9 billion. Over the five years through 2029-30, industry revenue is forecast to grow at a compound annual rate of 5.1% to reach £5 billion (IBISWorld, *Bakery Product Retailing in the UK*, April 2025).
- ◆ The retail value of unpackaged cakes in the UK was £1.3 billion in 2024 and is expected to increase to £1.6 billion in 2029. “Unpackaged cakes” covers single and multi-portion artisan cakes sold at the production site, plus in-store bakery cakes—either part-baked and finished on-site or made centrally – sold unpackaged (Euromonitor, *Unpackaged cakes*, 2025).
- ◆ In 2024, couples spent between £150 and £2500 on their wedding cake from a cake shop/designer, with an average spend of £390 (Bridebook, *UK Wedding Report 2025*: partners.bridebook.com/uk/uk-wedding-report-2025).
- ◆ The national organisation for this industry is [The British Society of Baking](#). Other industry bodies include [Scotland Food and Drink](#), the [Craft Bakers Association](#), the [Federation of Bakers](#), and [Scottish Bakers](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel - *Cakes, Cake Bars and Sweet Baked Goods – UK – 2025 (May 2025)***. Sharing formats are integral to cakes and they play a key role in boosting sales. However, it is important that brands don't ignore self-treating, given that eight in 10 eaters/buyers buy for themselves to eat. Those buying cakes/sweet bakes for themselves are more likely to think it's worth paying twice as much for freshly baked cakes (49%), to be prepared to pay more for premium ingredients (57%) and to be prompted to buy a product in store after seeing a similar one in a restaurant/cafe (63%). This highlights self-treating as a premium opportunity.
- ◆ **IBISWorld - Bakery Goods Production in the UK (April 2025)**. Social media has become a powerful driver of consumer behaviour in the UK bakery sector. It is reported that 60% of consumers say social media inspires them to try new snacks. For bakeries, this presents a valuable opportunity to boost brand visibility and sales through targeted digital engagement. Platforms like Instagram and TikTok play a crucial role in shaping food trends. Eye-catching products—like filled croissants, colourful doughnuts, or viral sandwich creations—can quickly gain traction, driving footfall and increasing online orders. Arôme Bakery's honey butter toast, for example, sold out after TikTok exposure. Trends like “bakery crawls” reflect growing consumer engagement. Limited-edition items tied to events like easter benefit especially from strategic promotion on social platforms, which help convey their festive appeal and urgency. Bakeries that integrate strong social media content with convenient digital ordering channels are well-positioned to grow their customer base, build loyalty, and thrive in an increasingly visual and connected market.

There are also a number of online resources you may find helpful:

- ◆ Food Standards Scotland has advice for new businesses including if you need to and how to register your food business: www.foodstandards.gov.scot/business-and-industry/advice-for-new-businesses
- ◆ Food Standards Scotland also has a list of resources to help small catering or retail businesses with food safety management and food hygiene regulation: www.foodstandards.gov.scot/business-and-industry/industry-specific-advice/catering-and-retail
- ◆ The Craft Bakers Association (CBA) Business Directory has ingredient and equipment suppliers and vendors: www.craftbakersassociation.co.uk/business-directory-1

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) , [Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[*Choosing and Managing Suppliers*](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [*Market and customer research*](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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