



# Market Report

A Snapshot of your Market Sector

## Homemade Cakes and Confectionery

### Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **August 2023**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## 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:

- ◆ Between 2017 and 2022, the UK cakes, cake bars and sweet baked goods market **grew by 28%, gaining revenue of £2.85 billion**. According to an Internet survey in the **three months to February 2023**, **44%** of people ate either cakes, cake bars or sweet baked goods at least once a week while **18%** ate at least one of these type of goods more than once a week. (Mintel, *Cakes, Cake Bars and Sweet Baked Goods*, Apr 23).
- ◆ Consumer demand for high-quality bakery goods and speciality coffee is recording an uptick, with consumers willing to pay premium prices for better quality and taste. There will also be increased demand for healthier baked goods, especially amongst younger consumers (IBISWorld, *Bakery Cafes in the UK*, Jan 23).
- ◆ According to a survey of small bakeries, 23% of respondents run their business from home (Sustaining small bakery businesses (Craft Bakers Association / Real Bread Campaign / the Open University, 2022 - [business-school.open.ac.uk/news/future-small-bakery-risk](http://business-school.open.ac.uk/news/future-small-bakery-risk))).
- ◆ The UK cakes and pastries market is forecast to grow at a compounded annual growth rate of **2.71% between 2022 and 2027**. The UK contributed **5.88%** to the global cakes and pastries market in **2022**, and its contribution will decline to **5.68% in 2027** (Technavio, *Global cakes and pastries market 2023-2027*, Mar 23).
- ◆ According to the Defra Family Food Survey (Dec, 22) ([www.gov.uk/government/statistics/family-food-202021](http://www.gov.uk/government/statistics/family-food-202021)), the average person in the UK purchased **158 grams** of cakes, buns and pastries in **2020/21**.
- ◆ In the three months to **April 2023**, **78%** of people had eaten sweets, up from **75%** in the same period last year (Mintel, *Sugar and gum confectionery - UK*, Jun 23).
- ◆ Between **2018 and 2023**, the UK chocolate confectionery market grew by **10% to £7,076 million** while the sugar confectionary market grew by **8% to £1,812 million** (Euromonitor, 2023).
- ◆ 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](mailto:info@bgateway.com).

- ◆ **Mintel – Cakes, Cake Bars and Sweet Baked Goods (Apr, 23)** Using a ‘freshly baked today’ message made the sale of cakes and sweet baked goods more appealing to 67% of people.
- ◆ **IBISWorld – Bakery Cafes in the UK (Jan 23)**. Revenue from Bakery Cafes in the UK is forecast to grow at a compound annual rate of **4.5% to £1.5 billion** over the **five years through 2027-28**, while the average profit margin due to **increase to 9%**.
- ◆ **Euromonitor – Market sizes (2017-2022)**. Between **2017 and 2022**, the number of independent bakery products limited service restaurants in the UK declined **by 526 or 4%**.
- ◆ **Technavio – Global specialty bakery market 2022-2026 (Dec 22)**. In **2021**, the UK contributed **5.46%** to the global specialty bakery market but this will grow to **5.74%** in **2026**. The UK is forecast to be the fastest growing country amongst key markets, growing to **\$3,720.7** million in **2026** (Technavio, *Global specialty bakery market 2022-2026, Dec 22*).
- ◆ **Statista – Bread and bakery products in the UK (2022)**. In **2020/2021** the average expenditure per person per week on cakes, buns and pastries was 83p, up from 60p in 2006.
- ◆ **Mintel – Chocolate confectionery (Sep 22)**. **66%** of eaters and buyers of chocolate buy it as a planned part of their grocery shopping while **81%** think that it is an affordable treat.

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

- ◆ **Scottish Bakers** industry association website ([scottishbakers.org](http://scottishbakers.org)) is a useful source of information on news, events and skills / training.
- ◆ **Food Standards Scotland *Business and Industry: Catering and Retail*** provides some useful starting information for your business including information on food hygiene and allergy. ([tinyurl.com/y5qq5rfp](http://tinyurl.com/y5qq5rfp))
- ◆ **Food Standards Agency: Starting a food business from home** ([www.food.gov.uk/business-guidance/starting-a-food-business-from-your-home](http://www.food.gov.uk/business-guidance/starting-a-food-business-from-your-home)) provides useful guidance on hygiene, allergen, waste requirements.
- ◆ **British Baker** is a useful site with news, reports, products, events and industry updates across a range of areas relevant to bakers and confectioners. It now has a section dedicated to Coronavirus news and updates. ([bakeryinfo.co.uk](http://bakeryinfo.co.uk))

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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](mailto: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](mailto: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 website, 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.

## 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.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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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.

**Last updated: August 2023**

**Updated by: Louise**

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