

Market Report

A Snapshot of your Marketing Sector

Bakery

This pack has been designed to provide information on setting up a business in the **Bakery** 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 **November 2025**.

What do I need to know about the Bakery 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:

- ◆ Over the five years through **2025-26**, **revenue is forecast to grow** at a compound annual rate of **1.6% to £10.3 billion**, driven by the growing price of bread and other baked goods. Further growth is expected over the **five years through 2030-31**, with **revenue rising at a compound annual rate of 2.3% to £11.6 billion**. Consumers are expected to spend more on luxury bakery goods in the coming years as economic conditions improve and inflation falls back to its target level. However, growth prospects remain tempered by climbing health consciousness. As people become mindful of their calorie consumption, there's likely to be a decline in the sales of products like pastries, cakes and certain breads, which are considered unhealthy. (IBISWorld, *Bread & Bakery Goods Production in the UK*, August 2025).
- ◆ Lingering cost-of-living pressures are holding back growth as consumers continue to keep a close eye on their spending, with many choosing cheaper bakery goods and coffee from supermarkets instead of visiting bakery cafes. Industry revenue is expected to **grow at a compound annual rate of 4.5% over the five years through 2029-30 to £1.6 billion**. Growth will be constrained by mounting competition from coffee chains and supermarkets' in-store bakeries, with the prevalence of meal deals in supermarkets keeping competition intense. (IBISWorld, *Bakery Cafes in the UK*, February 2025).
- ◆ The UK market for cakes, cake bars, and sweet baked goods is projected to **grow steadily**, with retail **sales expected to reach £4.57 billion by 2029**, up from an estimated £3.93 billion in 2024. This represents a **16% increase over the 2024-2029 period**, though most of the growth will be driven by higher average prices rather than significant increases in volume. Consumer trends highlight that cakes and sweet baked goods are typically enjoyed as occasional treats, with 45% of people eating some type at least once a week. Young adults (16-34) are the core consumers, but there is potential to attract the growing over-55s segment with products featuring fruit or nuts/seeds. (Mintel, *Cakes, Cake Bars and Sweet Baked Goods UK*, May 2025).
- ◆ Over the five years **through 2030-31**, **biscuit industry revenue** is anticipated to grow at a compound annual **growth rate of 0.9% to reach £3.5 billion**, with continued opportunities for biscuit manufacturers to innovate products in line with emerging health and flavour trends, particularly savoury snacks and biscuits. While The Grocer reported that in the month of January 2025 alone, biscuit prices rose 60% due to price inflation for cocoa and dairy, input prices are expected to fall in 2025-26. This will help to support revenue growth in the year. (IBISWorld, *Biscuit Production in the UK*, August 2025).
- ◆ The national organisation for this industry is the [Federation of Bakers](#). Other useful organisations include the [British Society of Baking](#), [British Baker](#), [Scottish Bakers](#) and [Scotland Food and Drink](#).

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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 – Bakeries and Pastry Shops UK (July 2025).** Despite many consumers still facing high prices and making spending adjustments, people will continue to visit bakeries and pastry shops for an affordable treat. The consumer survey for this report confirms that half of the purchases (49%) were below £5 in 2025. In 2025, 87% of Britons purchased at bakeries, with 12% more than once a week, 25% weekly, and 19% 2-3 times a month. Additionally, 71% shopped at pastry shops.
- ◆ **IBISWorld – Bread & Bakery Goods Production in the UK (August 2025).** Bread has been a staple in the UK for centuries, making it the largest contributor to producers' revenue. Even during tough economic times, its essential status has kept sales strong, with nearly all UK households regularly purchasing it, no matter the price increases. Rolls, baps, and baguettes continue to perform well in the market, edging closer to being staple items due to their versatility and convenience. Bagels, crumpets, and other specialty breads have experienced a decline in sales as they struggle to build consistent consumer loyalty. Many producers have launched alternative lines (seeded bread, protein bread and gluten-free bread) to capture ever more health-conscious consumers and customers with dietary needs, boosting revenue.
- ◆ **IBISWorld – Bakery Product Retailing in the UK (September 2025).** Consumers aged between 36 and 50 are the largest market. Both convenience and quality remain priorities for this age group, driving sales of to-go products and freshly baked, artisanal breads. Social media has become a powerful driver of consumer behaviour in the UK bakery market. According to the State of Snacking Report 2024, 60% of consumers say social media inspires them to try new snacks, a 9% hike from the previous year. Expansion into transport hubs attracts customers seeking convenient, on-the-go options that integrate easily into busy routines, with the biggest bakery chains pursuing this as a growth strategy.

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

- ◆ **The Federation of Bakers** offers [industry data](#) and consumer [factsheets](#) on a range of topics related to the bakery industry. Other publications on the site include a 2025 bread market overview, market snapshot, European bread market data, environmental practices, and dietary and nutritional information.
- ◆ The **Scottish Grocer** is an online news publication for retailers. You can search for news on [baking](#) and [confectionery](#).
- ◆ **Bakery Business**. News, interviews from the marketplace. Bakery business has an online magazine aimed at the bakery industry in the UK.
- ◆ **British Baker**. British Baker's website hosts news articles on a range of topics related to the industry, from new products on offer by major players, announcements of new deals and collaborations, and new trends.

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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@bgateaway.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 contact us on 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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