

# Bakery

2010 White Paper 4 of 4



Spring into  
Action with Winning  
Strategies

## A Letter From Dawn

The months of April, May and June represent one of the most lucrative times of year to spring into action with winning promotions for cakes, cookies, donuts, muffins, brownies and other sweet baked goods. In 2011, these important months include Easter, Cinco de Mayo, Mother's Day, Graduation Season, Memorial Day, Father's Day and several other popular events that will provide your instore bakery with tremendous opportunities to drive higher sales and solidify your position as a destination bakery.


Mother's Day is the top-selling week of the year for cakes, according to Perishables Group research, while donuts enjoy their own special holiday on June 3, 2011, when National Donut Day is celebrated, commemorating the role of donuts served to American "doughboys" on the front lines during World War I.

Also plan to devote extra space and special merchandising efforts to the cookie category during Easter and Memorial Day, when cookie sales spike. Muffin sales peak during Mother's Day, and brownies rise to the occasion for Father's Day. Make sure to take advantage of each of these unique events with bountiful displays of delicious sweet baked goods.

This Dawn White Paper, the fourth and final issue for 2010 in our popular, ongoing series of bakery category management papers, focuses on April through June and offers valuable insights and trends into new ways to drive sales in the second quarter.

Dawn continues to conduct extensive research on the sweet bakery consumer and marketplace in order to help our customers make their bakery a destination. Dawn is proud to offer a full range of products and solutions that give you the tools you need to make a difference in your marketplace.

Best Regards,



Richard Mansfield  
Vice President  
In-Store Sales  
Dawn Food Products, Inc.  
636-578-4483 or 1-800-248-1144



**ON THE COVER:**  
Dawn offers a wide variety of cakes, cookies, and sweet baked goods - perfect for any special occasion. Contact your Dawn sales professional for expert help on introducing exciting new products and merchandising ideas.

# Spring into Action with Winning Strategies

Winning strategies can bring you higher profits and help make your bakery their bakery. As a useful guide, category management principles can be an effective tool to help you achieve improved results from your merchandising of sweet baked goods during the spring months of April, May and June.

Category management, by definition, is a method of managing and running a category as its own business to achieve defined sales, profits and shopper targets. According to Willard Bishop, a Chicago-based retail consultant, one of the critical factors to achieving a retailer's strategy is assembling a strong portfolio of category roles.

There are four primary category roles: Destination/Signature, Occasional/Seasonal, Convenience/Impulse, and Routine. Once defined, these roles can be used as a guide for determining pricing, promotions, space allocation and assortment during spring occasions and throughout the year.

Having a clear understanding of consumer need states is equally essential to your success.

Proprietary research from Dawn Foods has identified four important need states for sweet

baked goods shoppers – called “The Four C’s” – to help you develop merchandising strategies to capture more sales from the bakery.

The Four C’s are: **Connection** – products that are easy to share with others and offer outward expression of caring; **Craving** – products that satisfy the need for indulgence or pampering, and contentment; **Convenience** – products that are easy to eat on the go, relieve stress and offer an energy boost; and **Celebration** – products that bring people together in a quality way as part of a social event or special occasion.

Understanding how these consumer need states fit into your primary category roles can help improve your results.

For example, the category role of Destination/Signature is defined as establishing the bakery as the dominant store of choice by providing the target consumer with consistent superior value. Let’s say you determine that your instore bakery offers the best donuts in your marketplace based on market and shopper research. This finding allows you to devote more space to donut displays and charge a premium for signature donuts.

To reinforce this strategy, you can blend Dawn’s key learnings about donuts into effective promotions. Dawn research reveals that donuts are a product segment that exudes over-the-top indulgence and meets the Craving and Convenience need states of sweet baked goods shoppers. So use point-of-sale materials to highlight both Craving and Convenience (with messaging such as “Try our indulgent flavors,” or “Grab a donut for a late-night snack!”). This will allow you to leverage your signature donuts to drive higher traffic and build a stronger destination during seasonal promotions.

To help you capitalize on current trends and other key learnings about the sweet baked goods shopper, this **Dawn White Paper** presents additional Dawn proprietary research and syndicated Perishables Group FreshFacts data, revealing key insights and opportunities to promote cakes, cookies, donuts, muffins and brownies.

## 2011 SEASONAL OCCASIONS



### APRIL

- April 1 – Baseball Opening Day
- April 15 – Tax Day
- April 22 – Good Friday
- April 24 – Easter



### MAY

- May 5 – Cinco de Mayo
- May 8 – Mother’s Day
- Mid-May – Graduation Season Begins
- May 30 – Memorial Day



### JUNE

- June 3 – National Donut Day
- June 19 – Father’s Day

**BENCHMARKING: CAKES**

Momentum is growing with solid dollar and volume growth.

- Dollars per store per week = \$2,780
- Dollar % change vs. year ago: +2.4%
- Volume % change vs. year ago: +7.8%

*Perishables Group data for 52 weeks ending June 26, 2010*



*Mother's Day cakes appeal to the Connection and Craving need states of sweet baked goods shoppers.*

**CAKES**

Cakes represent the largest percentage of sweet baked goods sales in dollar volume and therefore are of prime importance for spring promotions. Consumers are increasingly seeking out more choices of cakes, ranging from value cakes to smaller sized cakes. Make sure to carry products that deliver against the following key trends revealed through Dawn research:

- Impulse – New flavors of cakes and compelling designs supported by point-of-sale materials deliver to the Connection need state.

- Value – Value cakes encourage whole cake usage as everyday after-dinner dessert and an outward expression of caring.
  - Portions – Smaller sized cakes meet family needs for one usage occasion.
- Create winning promotions with these ideas for spring holidays and special occasions:

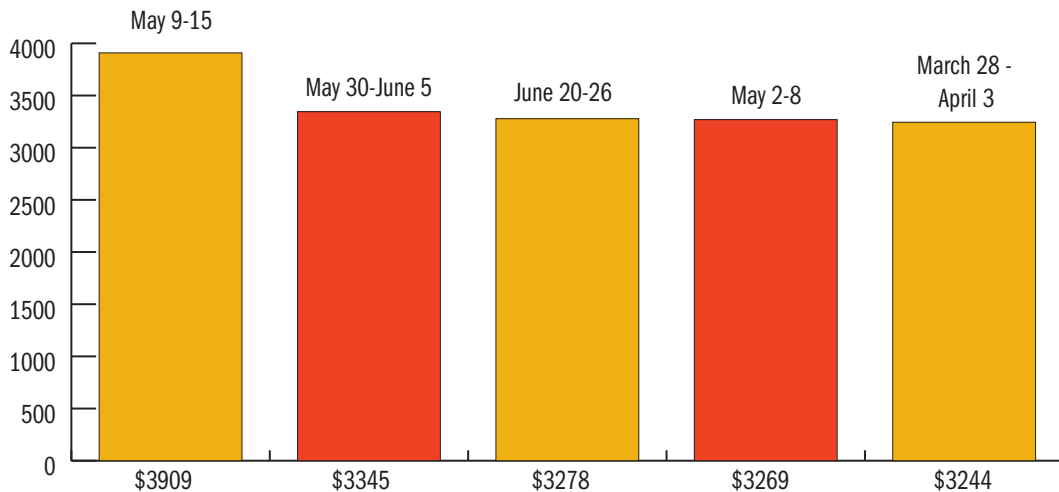
Try a special Mother's Day promotion offering a free decorated cake for Mom through a drawing that includes anyone who buys a cake during the week prior to Mother's Day. Invite the winner to your bakery department for a special presentation by your bakery staff and the winning mother's family. Let the local newspaper and radio stations



Weekly cake sales reach their highest level of the spring during Mother's Day, followed by Memorial Day, Father's Day and Easter.

**TOP FIVE WEEKS FOR CAKE SALES IN SPRING**

Average weekly dollar sales for cakes for the following weeks in 2010:



know about this special event to gain free publicity.

Use Facebook and Twitter to spread the word about a special Father's Day promotion to kids. Have kids share their favorite things about Dad and offer a discount to everyone who participates.

## COOKIES

Cookies are a regularly purchased item in the instore bakery because they meet all of The Four C's. Cookies offer small indulgences, opportunities for sharing and celebrating, and are easy to eat on-the-go. Cookie consumption continues to increase as consumers trade down from other, more expensive desserts. Cookies are also an important sales and traffic driver for spring events that include Memorial Day family get-togethers, Easter celebrations and Father's Day. Make sure to carry products that



Weekly cookie sales reach their highest level of the spring during Memorial Day and Easter.

promote these holidays and deliver against the following key trends revealed through Dawn research:

- Impulse – Unique seasonal flavors of cookies for special events or celebrations.
- Value – Higher count, better value all-family snack cookies that are convenient and help

## BENCHMARKING: COOKIES

Cookies continue to be a key driver for bakery growth.

- Dollars per store per week = \$950
- Dollar % change vs. year ago: +3.7%
- Volume % change vs. year ago: +4.9%

*Perishables Group data for 52 weeks ending June 26, 2010*

create connection with families.

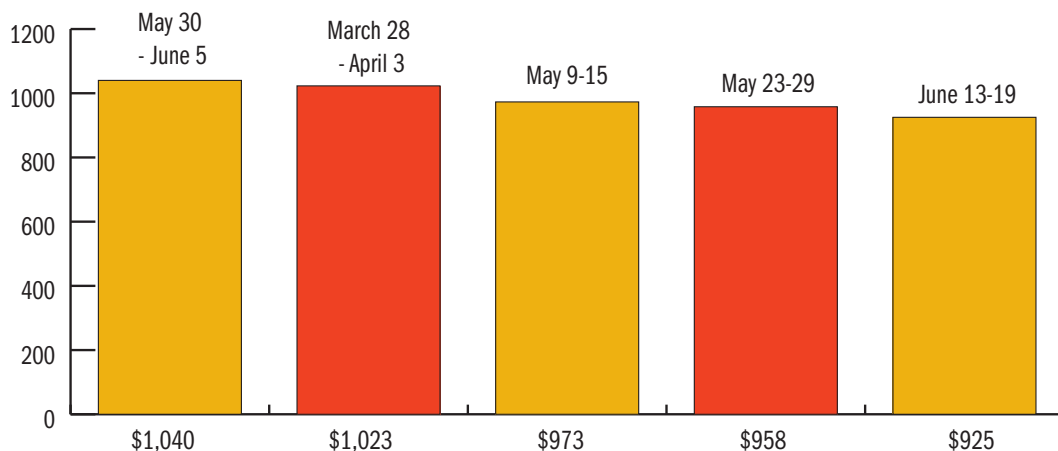
- Craving – Indulgent cookies with decadent ingredients.
  - Variety – Seasonal in/out programs that bring greater variety throughout the year.
- Create winning promotions with these ideas:  
Opening Day for Major League Baseball arrives

## FUN FACT

The word cookie comes from the Dutch word, koekje, which translates to little cake. Cookies arrived in America in the 18th century.

### TOP FIVE WEEKS FOR COOKIE SALES IN SPRING

Average weekly dollar sales for cookies for the following weeks in 2010:



on Friday, April 1, so turn this event into a weekend party destination for your bakery. Create decorative baseball-themed cookies that bring shoppers up to the plate.

Decorate American flag cutout cookies for Memorial Day and offer attractive discounts for Veterans.

Dawn research reveals 55% of cookies purchased for home consumption are shared with a spouse/significant other.

So assemble secondary displays of indulgent varieties of cookies near the perimeter of the bakery department for Father's Day promotions and use point-of-sale materials to promote this special sharing occasion.

**DONUTS**

Donuts aren't just for breakfast anymore. Do-



Weekly donut sales reach their highest level of the spring during the first week of May and the second week of June.

Donuts are great for craving and snacking occasions throughout the day. Dawn research reveals that 15% of consumers eat donuts as a late night snack and 17% eat donuts as a snack between lunch and dinner.

Donuts can help drive promotions. Donuts will enjoy their own holiday on June 3 next year when



*Over-the-top indulgent varieties of donuts satisfy the Craving need state of sweet baked goods consumers.*

National Donut Day is celebrated. Make sure to carry products that promote this and other special occasions and deliver against the following key trends revealed by Dawn research:

- Impulse – Donut kiosks near the store entrance to drive morning impulse purchases.

**BENCHMARKING: DONUTS**

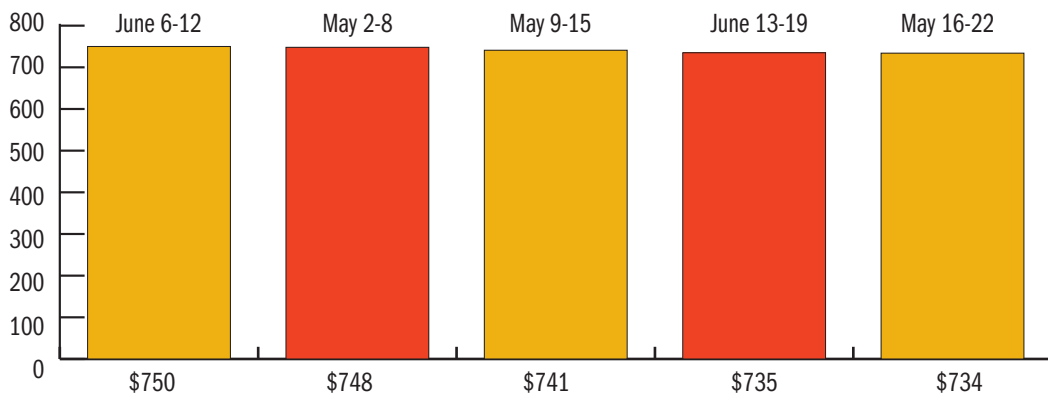
Focus on donut snacking to reverse volume trends.

- Dollars per store per week = \$705
- Dollar % change vs. yr ago: +0.3%
- Volume % change vs. yr ago: -4.7%

*Perishables Group data for 52 weeks ending June 26, 2010*

**TOP FIVE WEEKS FOR DONUT SALES IN SPRING**

Average weekly dollar sales for donuts for the following weeks in 2010:



- Craving – “Over-the-top” indulgent varieties.
- Portions – Convenient bite-sized donuts.

Create winning promotions with these ideas:

National Donut Day celebrates Salvation Army “lassies” who made donuts for American soldiers during World War I.

So take advantage and build big displays celebrating the patriotic donut.

Cinco de Mayo, or May 5, marks a major Mexican-themed special occasion, perfect for colorful donut displays, complete with Mexican favorite flavors like guava and strawberry.

And don’t forget the ever popular Mexican donut, or *churros*, which are available from Dawn ready to finish in four delicious flavors.

Promote donuts throughout the spring as a snack for afternoon or evening with a great selection of decadent, decorated donuts. Dawn offers ready to finish donuts that can be decorated with unique finishing touches to appeal to the Craving need state.

## MUFFINS

Muffins enjoy one of the most healthful images in the bakery department, but there’s more: Muffins can be indulgent, convenient and craveable.

Make sure to carry products that deliver against the following key trends revealed through Dawn research:

- Impulse – Secondary displays encourage purchases as a breakfast meal.

## BENCHMARKING: MUFFINS

Muffins have become a bakery destination.

- Dollars per store per week = \$419
- Dollar % change vs. yr ago: +3.2%
- Volume% change vs. yr ago: +3.6%

*Perishables Group data for 52 weeks June 26, 2010*

- Value – Smaller size, higher count products to reach the value consumer.
- Portions – Muffin tops may increase daypart usage beyond breakfast daypart.
- Better-for-you – Muffins are thought of as more healthful.

Muffin sales peak in May and June, and Mother’s Day is one of the top-selling occasions of the year for muffin sales. Create winning promotions with these ideas for Mother’s Day week:

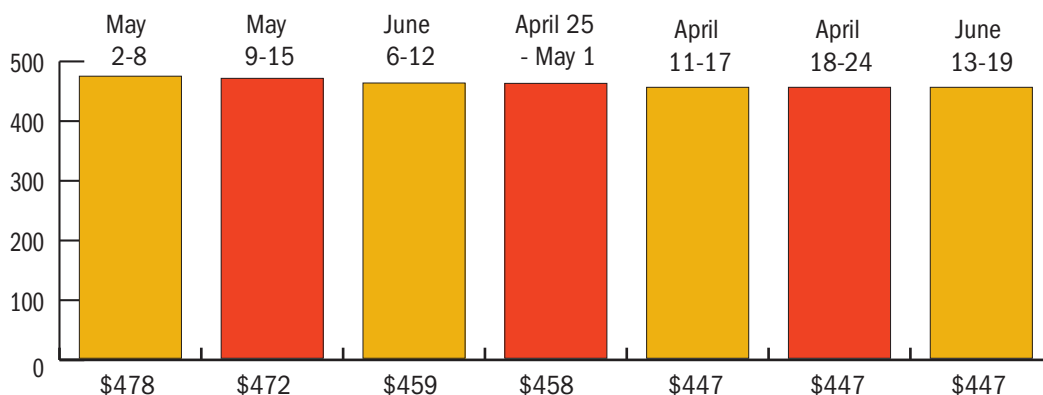
Try a Mother’s Day promotion with your floral department that offers a discount on any Mother’s Day floral bouquet when you buy muffins in the bakery. Use point-of-sale materials to highlight craveable flavors like strawberry or cream cheese muffins.



Weekly muffin sales reach their highest level of the spring during Mother’s Day.

### TOP FIVE WEEKS FOR MUFFIN SALES IN SPRING

Average weekly dollar sales for muffins for the following weeks in 2010:



**BENCHMARKING: BROWNIES**

Brownie volume is picking up, and brownies are more popular with kids.

- Dollars per store per week = \$137
- Dollar % change vs. year ago: -0.6%
- Volume % change vs. year ago: +2.2%

*Perishables Group data for 52 weeks ending June 26, 2010*



Weekly brownie sales reach their highest level of the spring during Father's Day.

**WRAP UP**

From Opening Day to Father's Day, the spring season presents unique promotional opportunities, and Dawn offers all the products and support you need for winning strategies in the spring and all year-round. To learn more about insights presented in this Dawn White Paper, call your Dawn sales professional today or call 1-800-248-1144, and we will put you in touch with a Dawn sales professional.

For more information, visit Dawn online at dawnfoods.com.

**BROWNIES/DESSERT BARS**

Dawn research reveals that shoppers under the age of 25 are major purchasers of brownies. This brings a greater opportunity to attract young consumers with creative promotions and turn them into regular instore bakery customers.

Create winning promotions with these ideas for spring holidays and special occasions:

Decorate brownie diplomas and brownies with graduation hats during graduation season.

Father's Day is a top-selling week for brownies. So promote a special event for shoppers to nominate their "Best Dad" to win a brownie gift basket and make sure to devote more space to brownie displays.

For Memorial Day, create patriotic brownie platters with decorative flag pics.

*Merchandising ideas and findings included in this Dawn White Paper are supported by Perishables Group FreshFacts data powered by Nielsen. The point-of-sale syndicated data set includes U.S. food stores with more than \$2 million in annual sales for 52 weeks ending June 26, 2010.*

**TOP FIVE WEEKS FOR BROWNIE SALES IN SPRING**

Average weekly dollar sales for brownies for the following weeks in 2010:

