



10 ways changing consumer demand impacts the baked goods business

Health-conscious consumers are asking bakers for a wider variety of baked goods—with more “natural” ingredient options. Yet, for bakers, the same shelf-life constraint still exists. Most bakery products need to be available for sale on the same day they’re baked or else they’re no longer considered fresh, driving many supermarkets to [take their bakeries in-house](#).

What is the impact of changing consumer demand?

- 1** Globally, baked goods manufacturing is forecast to see more aggressive growth through 2019, [according to IBISWorld research](#).
- 2** Prices of wheat and vegetable oil can vary by as much as 40% in a single year, while energy costs (such as natural gas) can vary by 25%, [according to a report by the Center for Economic Vitality](#).
- 3** The gluten-free market in the US is predicted to grow to \$6.6 billion by 2017, [observes Time Magazine](#), citing Packaged Facts.
- 4** Because many baked goods rely on sugar, carbs, and flour, many consumers are avoiding the bakery aisle. Read how bakers can choose ingredients more wisely [in this BakingBusiness.com article](#).
- 5** Bakeries can be hot and dusty. This creates a three-fold challenge: maintaining a safe employee environment; guaranteeing same-day baking and delivery; and acting quickly in the event of a recall.

How can you meet this changing demand without sacrificing quality?

- 6** Use daily and seasonal forecasting, replenishment planning, inventory optimization, and promotional planning to plan for the volatility of raw materials and energy costs.
- 7** For everything from cookies to tortillas, it’s important to optimize your recipes for ingredient variability and seasonal availability. This can help you better maintain or even improve your margins and efficiency.
- 8** Support a natural recipe formulation strategy with [clean labels](#). You’ll also be able to meet consumer demand for recognizable ingredients, [notes BakingBusiness.com](#).
- 9** Minimize the cost of recalls with track and trace tools. By isolating contaminated batches, you can reduce lost revenue, fines, and bad PR. [Read Food Quality & Safety’s Survival Guide for Handling Food Recalls](#).
- 10** Manage daily scheduling and forecast seasonal coverage challenges with workforce management tools, so your bakers can work in shifts to meet shipping demands.

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