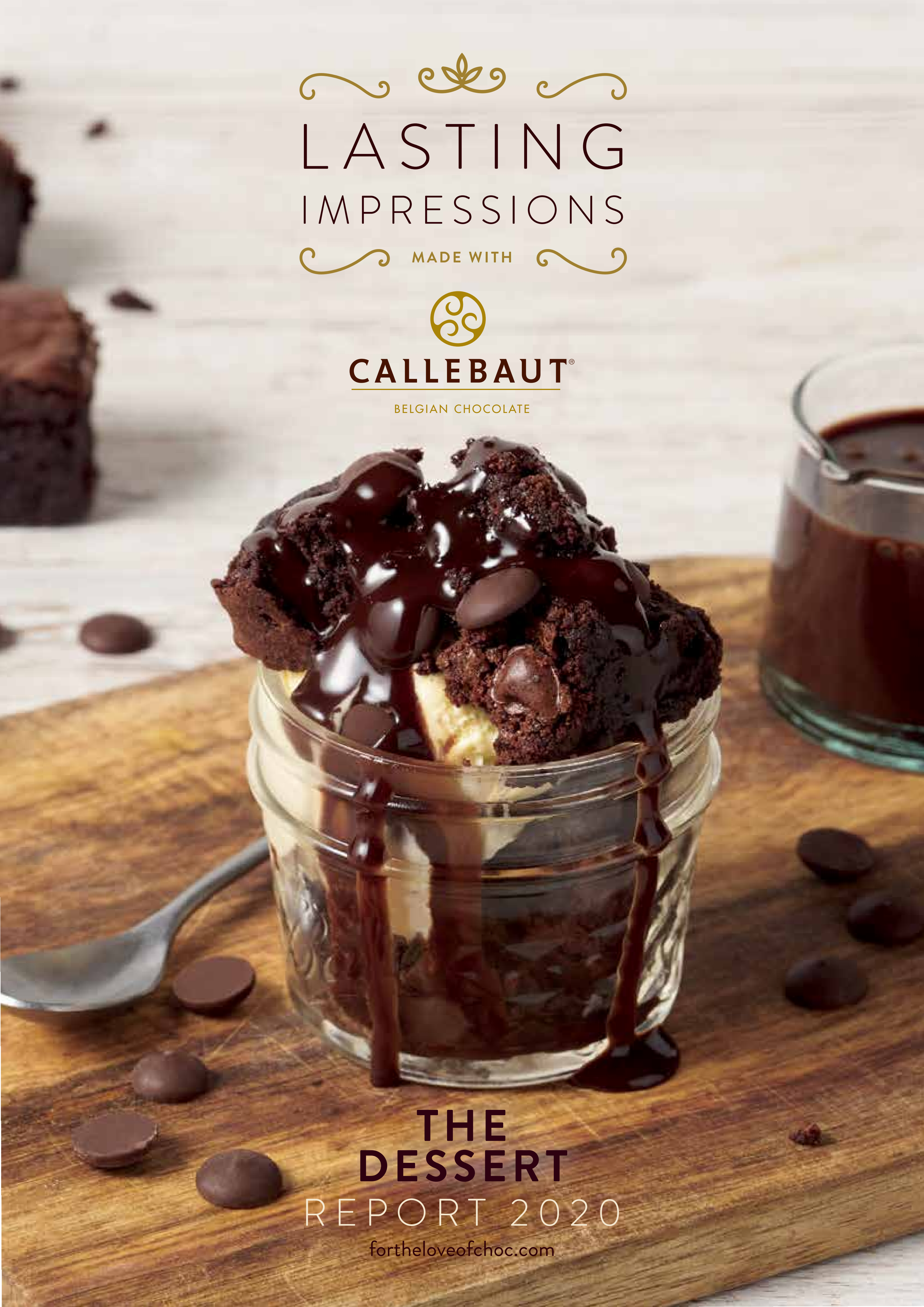
LASTING IMPRESSIONS

MADE WITH

CALLEBAUT®

BELGIAN CHOCOLATE



THE DESSERT REPORT 2020

fortheloveofchoc.com

INTRODUCTION

Desserts, cakes and pastries are a hugely important part of our food culture and yet, there is limited understanding of the factors that motivate consumers to purchase a dessert when dining out of home.

When done really well, a dessert can round off a consumer's experience really positively and, for Instagrammers especially, may even be an outlet's starring attraction. However, we still see operators who consider desserts an after-thought and serve options that don't meet the same high standards as the rest of the menu. Not only can this diminish a consumer's lasting impression of a venue but it can mean operators are missing out on the incremental revenue that the dessert category can drive.

We know great quality chocolate and have seen first-hand how it can boost sales, so we have partnered with research specialists, CGA, to better understand the dessert category and its consumers. The results illustrate how desserts are consumed across different channels and identify what motivates consumers to make purchasing decisions. Combined with our company heritage, trend-forecasting from our world-leading innovation team and expertise from our very own Chocolate Academy chefs, we show how operators can tap into the sales opportunities desserts, cakes and pastries present.

Vincenzo Mangano,

Sales Director Gourmet at Callebaut UK & Ireland

Contents

THE LANDSCAPE: WHO IS EATING OUT OF HOME?

Brits continue to enjoy eating out, with the majority who have visited an outlet in the last six months, remaining active in the market. **82% of consumers eat out at least once a month** and **almost half (49%) eat out at least once a week.**

66%
OF CONSUMERS
visit **restaurants**, **pubs**, **cafés** and **coffee shops** at least once a week

MOST POPULAR CHANNELS FOR EATING OUT
(% CONSUMERS VISIT AT LEAST ONCE A WEEK)

1 Restaurants 75%
2 Pubs 62%
3 Cafés & Coffee shops 60%
4 Fast Food Outlets 58%
5 Bars 34%
6 Hotels 33%
7 Street Food 28%
8 Dessert Parlours 16%

CHOOSING DESSERTS

The desire for a sweet treat to round off a meal remains high amongst consumers. After main course, dessert is the most popular course consumers ordered out of home, with **43% of consumers purchasing a dessert, cake or pastry when eating out.** These consumers are valuable for operators and are likely to spend more money on a dessert, cake or pastry out of home, and by ensuring a dessert menu appeals to these consumers it can also increase the chances of a repeat visit. **More than a third eat out at least once a week** presenting an opportunity to engage and upsell to them.

THE SOUTH HAS A FONDNESS FOR DESSERTS WITH 35% OF CONSUMERS PURCHASING ONE WHEN OUT

THREE IN FIVE WOMEN 58% AND **HALF OF MEN ORDER DESSERTS** WHEN EATING OUT

40% OF CONSUMERS WHO **EAT OUT EVERYDAY** WILL BUY A DESSERT, CAKE OR PASTRY[1]

KEEPING IT SWEET: WHY CONSUMERS CHOOSE DESSERT

48%
OF CONSUMERS
are more likely to order a dessert if it's made with premium ingredients

Dessert consumption has changed; sharing formats, desserts free-from allergens, and combining sweet and savoury ingredients, now feature heavily on menus alongside traditional puddings and ice cream flavours.

These options are all in growth proving that choice is crucial, allowing for experimentation and fun in the kitchen. Furthermore, consumers are significantly more likely to opt for dessert when qualities such as sustainability and ethical sourcing of ingredients, premium quality ingredients and better-for-you or health properties are highlighted on menus.

SUSTAINABLE & ETHICAL SOURCING

Sustainability is a motivating factor for younger consumers when it comes to choosing a dessert with **46% of 25-34 year olds more likely to purchase a dessert made with sustainably sourced ingredients.**

BETTER-FOR-YOU OPTIONS

Lower sugar options are of interest for **a third (35%)** of dessert consumers, with particular interest from older consumers. **43% of consumers aged 65+ are more likely to choose a dessert, cake or pastry that is low in sugar.**

WHERE DESSERTS ARE ORDERED

The opening of dessert parlours in high streets across the UK reflects our love for sweet treats, with the top ten chains, including *Creams* and *Kaspas*, expected to have more than **300** sites by the end of 2019[2].

Dessert consumers over-index* across **pubs, restaurants, cafés and coffee shops, fast food** outlets, **hotels** and **street food** outlets, compared with the average consumer, so there is an opportunity to uplift sales for operators in every type of venue.

* Higher than the average consumer

TWO-FIFTHS OF CONSUMERS enjoy a dessert when dining out

WHEN DO CONSUMERS EAT DESSERTS, CAKES AND PASTRIES?

As expected, in **hotels, pubs and restaurants,** dessert consumption most frequently occurs at evening mealtimes. As a traditional occasion for dessert consumption, there is an engaged market for desserts, so sales should be maximised during this day-part through promotional activity to engage consumers and drive orders.

60% of dessert consumers visit a dessert parlour mid-afternoon, proving there is a real appetite for dessert items outside traditional mealtimes. This provides an opportunity to offer desserts and cakes during breakfast and lunchtime service, as well as in between meals.

TOP 3 COURSES BY VENUE

KEY: Starter · Dinner · Dessert · Hot Drink After Meal

	1	2	3
RESTAURANT	Dinner	Starter	Dessert
CAFÉS & COFFEE SHOPS	Dinner	Dessert / Hot Drink After Meal	Starter
PUBS	Dinner	Starter / Dessert	Hot Drink After Meal
FAST FOOD OUTLETS	Dinner	Dessert	Starter
BARS	Dinner	Starter	Dessert
HOTELS	Dinner	Starter	Dessert
DESSERT PARLOUR	Dinner	Dessert	Starter
STREET FOOD MARKETS AND STALLS	Dinner	Starter	Hot Drink After Meal

Dessert consumers over-index in **street food outlets**, yet dessert does not feature in the top three courses within this channel. Is there an opportunity to increase availability of desserts within street food outlets, to drive further revenue?

SERVING DESSERTS IN…

PUBS

As the original casual dining experience, the **pub** channel is ever-evolving to offer diners the quality, value and experiences they love. While menus may have updated to include more global influences and family-style sharing experiences, love of a great pub dessert has not diminished. However, operators still need to highlight their offering to maximise sales. **67%** of **dessert consumers** have visited a **pub** in the last six months but **only half went on to order a dessert,** proving there is a real opportunity for pubs to uplift dessert sales.

TOP TIP:

In the **pub** channel, after a **main course,** consumers are equally likely to order a **starter** and **dessert**, with a proportion also likely to order a **post-meal hot drink.** Offering a set menu incorporating these choices will increase orders of desserts but also give consumers additional perceived value.

Communicating messaging on menus citing the quality and use of seasonal ingredients will also encourage purchase of desserts in this sector.

£4.72

WHAT THE AVERAGE PUB CONSUMER will spend on a dessert, cake or pastry

RESTAURANTS

Restaurants and **casual dining** outlets are the most popular venues visited by dessert eaters – **more than three quarters (78%)** reported to have visited a restaurant or restaurant chain in the past six months. Dessert plays an important role in this sector, as **65% of consumers will order a dessert.**

TOP TIP:

Quality is hugely important for dessert consumers in this channel, with **four-fifths of consumers** who find the menu descriptors **'made with good quality chocolate'** and **'made with Belgian chocolate'** appealing. Therefore, it is important to incorporate menu descriptions which highlight ingredient quality and provenance to uplift dessert sales.

38% of dessert consumers who have visited a restaurant in the past six months reported they are more likely to purchase a dessert, cake or pastry if it is **made with ethically sourced ingredients. More than a third of dessert consumers** are more likely to choose a dessert made with sustainably sourced ingredients. This quality is most valued by **consumers aged 18-24**. Communicating sustainable and ethical sourcing as well as charitable initiatives linked to ingredients or dishes will appeal to this consumer.

£5.52

WHAT THE AVERAGE RESTAURANT DINER expects to pay for a dessert, cake or pastry

COFFEE SHOPS & CAFÉS

Present in our high streets, in hotels, workplaces, hospitals and railway stations, **cafés and coffee shops** play a key role in the UK out of home market. The growth of coffee shop culture has introduced additional dessert occasions. **Two thirds of dessert eaters** have visited a café or coffee shop in the past six months, **over-indexing 11 percentage points** versus the average consumer. Dessert eaters also over-index significantly and should therefore be considered by café and coffee shop operators when developing menus.

TOP TIP:

Again, highlighting **quality** is incredibly important for the café and coffee shop sector, with **more than half (52%) of consumers** more likely to order a dessert, cake or pastry that is made with premium ingredients.

Café and coffee shop dessert consumers are more concerned with sugar content than the average consumer, with **two fifths (38%) agreeing that they are more likely to purchase a dessert promoted for its low sugar content.**

£3.88

WHAT THE AVERAGE CAFÉ VISITOR would expect to pay for a dessert, cake or pastry

THE SWEETEST PART OF THE DAY

Dessert consumption remains fairly consistent in each sector, with main meal times key occasions for desserts in pubs, restaurants and cafés/coffee shops.

With footfall increasing during these day parts, it is important to ensure sales are maximised through promotional activity and customer engagement, which will inspire consumers and drive dessert sales.

	Pubs	Restaurants	Café & Coffee Shops
MORNING	**1 IN 10** **CONSUMERS WOULD PURCHASE A DESSERT OR CAKE IN THE MORNING** As more pubs move into the breakfast occasion, there is a growing opportunity to expand sweet menus and consider hot beverage and pastry deals to drive purchases	**13%** **OF CONSUMERS WOULD ORDER A PASTRY FOR BREAKFAST IN A RESTAURANT**	**52%** **OF CONSUMERS PURCHASE A PASTRY MID-MORNING** Creating an all-day menu will cater to these consumers and reduce wastage.
LUNCH	**41%** **ORDER DESSERTS DURING LUNCH SERVICE** To increase mealtime spend, operators should ensure they are engaging these consumers with a tempting range of options and by communicating their offering through front-of-house staff and menu boards	**71%** **OF CONSUMERS THAT HAVE VISITED A RESTAURANT OR CASUAL DINING VENUE** in the last six months agree that they would choose a sharing dessert	**45%** **OF CONSUMERS BUY A DESSERT OR CAKE AT LUNCHTIME** And two-fifths of consumers (38%) choose a pastry at this time. So tap into this sales opportunity with lunchtime appropriate options
AFTERNOON	**A QUARTER** **OF CONSUMERS SEEK TO PURCHASE A DESSERT OR CAKE MID-AFTERNOON** Pubs can tap into the snacking occasion to uplift dessert sales	**18%** **OF CONSUMERS WOULD ORDER A DESSERT OR CAKE IN A RESTAURANT MID AFTERNOON.** Proving there is an opportunity to cross sell a beverage and a slice of cake	**60%** **OF CONSUMERS ORDER A DESSERT OR CAKE MID-AFTERNOON** In between main mealtimes are a prime dessert sales opportunity for café and coffee shops
EVENING	**78%** **OF CONSUMERS PURCHASE DESSERTS DURING EVENING MEALTIMES**	**87%** **OF RESTAURANT CONSUMERS ORDER DESSERTS AND CAKES DURING EVENING MEALTIMES** Dessert sales should be maximised during this day-part through promotional activity to engage consumers and drive orders	**1 IN 10** **DESSERT CONSUMERS SEEK A FOOD-TO-GO OPTION FROM A CAFÉ OR COFFEE SHOP** Incorporating hand-held options that can be enjoyed on the move could engage consumers and maximise sales

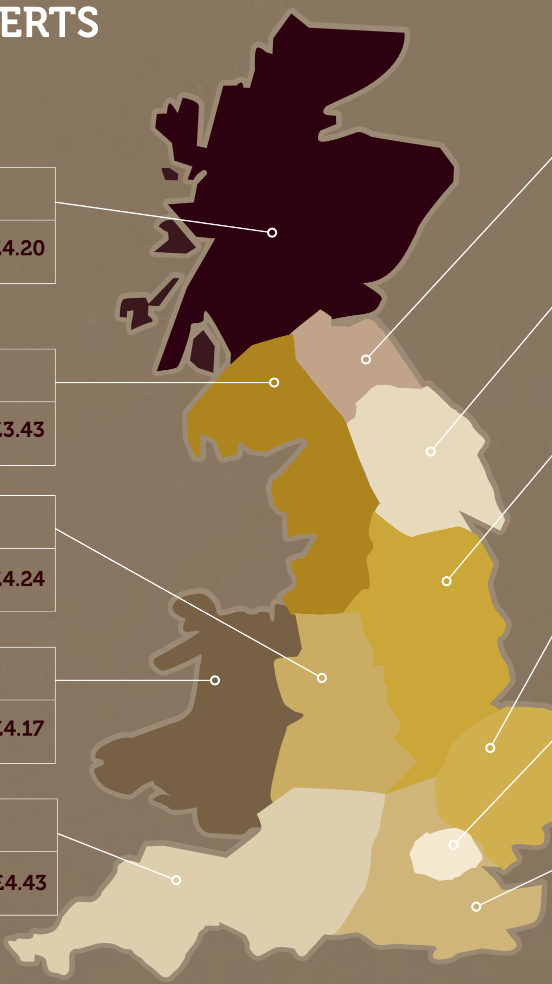
GETTING THE PRICE RIGHT

The price consumers are willing to pay for desserts varies across channels

On average, dessert consumers are willing to pay between **£3.66** for a dessert, cake or pastry in a **fast food outlet, £6.15 in a hotel** and **£6.30 in a dessert parlour.**

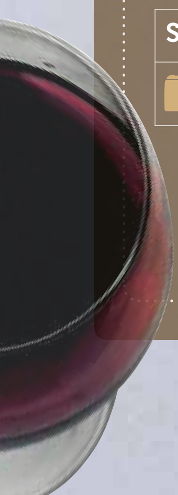
Consumers' average spend on dessert is lower in convenience-led outlets and **highest in dessert parlours, hotels and restaurants.** Dessert parlours are grouped with traditionally higher-end establishments, so consumers' expectation is that prices may be higher. As a dessert-destination, consumers are unlikely to be purchasing main courses or other menu items so are willing to spend more. Understanding these price expectations across the sectors will help operators to price their menus effectively, appeal to consumers and increase sales across the day.

SPEND ON DESSERTS BY REGION:



Scotland	£4.72	£5.67	£4.20
North West	£4.30	£5.21	£3.43
West Midlands	£5.17	£6.08	£4.24
Wales	£5.08	£5.68	£4.17
South West	£5.12	£5.81	£4.43
North East	£4.95	£6.03	£4.06
Yorkshire and Humber	£4.32	£4.93	£3.57
East Midlands	£4.68	£4.91	£4.27
East of England	£4.14	£5.22	£3.51
London	£5.50	£6.22	£4.08
South East	£4.56	£5.20	£3.35

The average amount consumers across Great Britain expect to spend on a dessert, cake or pastry in a pub, restaurant or café



THE ROLE OF CHOCOLATE ON MENUS

Dessert menus may have more variety than ever but one constant is chocolate. We still love it, with **95%** of dessert consumers choosing a chocolate dessert. Therefore, it is important that at least half of your dessert menu includes desserts, cakes and pastries made with or includes chocolate.

92%

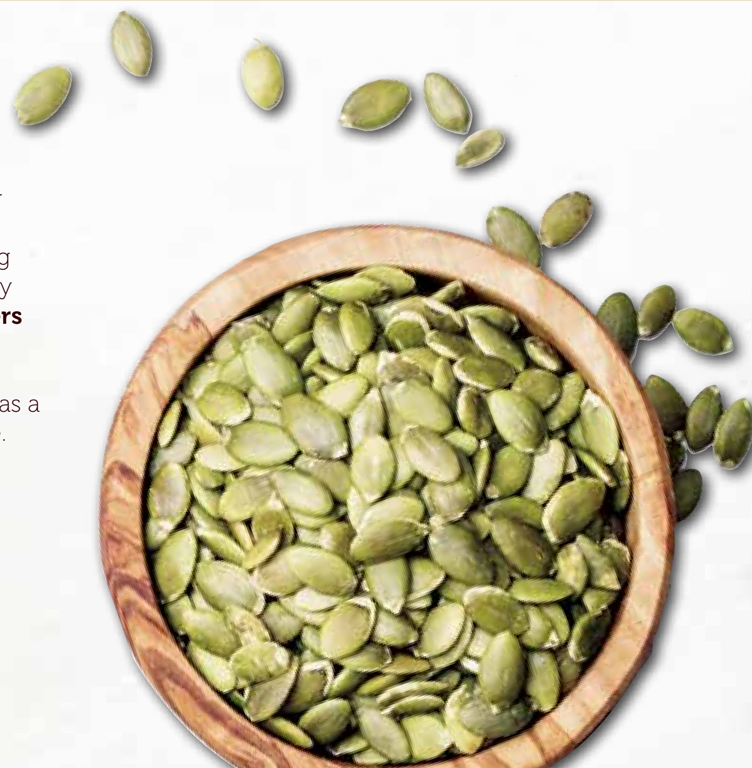
OF DESSERT CONSUMERS ARE MOTIVATED TO CHOOSE DESSERTS IF THE CHOCOLATE CONTENT IS DESCRIBED AS **'GOOD QUALITY' OR 'BELGIAN'.**

Highlighting the quality of the chocolate in a menu description particularly appeals to consumers who eat out frequently, presenting more opportunity to engage and convert into sales.

Using a hybrid term on menus, such as **'made with quality Belgian chocolate'** will deliver the premium messaging that drives purchase.

- Cafés & Coffee shops 65%
- Dessert Parlour 27%
- Bars 37%
- Fast Food Outlets 68%
- Restaurants 79%
- Hotels 37%
- Street food Markets and Stalls 29%
- Pubs 60%

ENJOYED BY ALL



While the number of consumers who identify as following specific diets is still only a small proportion of the population, there is wider consumer interest in these options. **69% of consumers** would be neither more or less likely to order a dessert if it was **vegan**, proving that these options can appeal to the majority of diners. Equally, only **7% of consumers** follow a **gluten-free diet**, **yet 22% of consumers are more likely to choose a dessert if it is gluten free.** Without catering to different requirements, there is also a risk that operators will lose group bookings, even if only one of the group has a dietary requirement, the whole table will choose to dine elsewhere.

While traditionally cakes and desserts are made with butter, flour and eggs, with simple innovation and the right ingredients, chefs can create desserts that suit different dietary requirements and deliver the same level of flavour and enjoyment.

THE EVOLVING CONSUMER: CATERING TO DIETARY REQUIREMENTS

Awareness around allergies, veganism and dietary choices has grown exponentially in recent years.

Whilst only **1 in 7 consumers** identify as having a dietary requirement, **30% of consumers** who wouldn't usually purchase a dessert, report to have a dietary requirement so it is a vital factor in uplifting dessert sales. Therefore, it's important that operators incorporate options onto menus that suit everyone, which will ultimately drive category growth.

55%
OF CONSUMERS
say they would be more likely to choose a dessert if calorie information was available

OVERVIEW OF CURRENT CONSUMER DIETARY REQUIREMENTS

Vegan	Vegetarian	Pescatarian	Dairy Free	Gluten free	Nut Allergy	Kosher/Halal	Alcohol free	Diabetic	Soy Allergy
3%	6%	2%	5%	7%	2%	4%	6%	4%	1%

DO FREE-FROM OPTIONS DRIVE SALES?

Percentage of consumers driven to purchase a dessert, cake or pastry if the motivating factor is...

GLUTEN FREE
22%

LOW IN SUGAR
13%

SUITABLE FOR VEGETARIANS
12%

DAIRY FREE
20%

SUITABLE FOR VEGANS
17%

DID YOU KNOW?

Callebaut finest Belgian chocolate is gluten-free and its dark chocolate is also suitable for vegan diets

DESSERT FORMATS

SHARING THE ACTION

As consumers continue to seek value, and informal, sociable dining experiences, **a fifth of British consumers** would choose a sweet or savoury sharing platter option when eating out, with the format appealing equally across all ages and demographics.

Especially popular among dessert consumers, **9 out of ten** would choose to order a sharing dessert. This fun format can also encourage diners to purchase a dessert, with **more than a third of consumers (34%) agreeing that they are more likely to order a dessert if it is available in a shared size, this increases to 44% for consumers aged 18-24 years old.**

Consumers who would order a sharing platter tend to visit **restaurants (85%), pubs (73%), cafés and coffee shops (69%)** presenting an opportunity to include sharing dessert options on menus in these sectors.

15%
OF CONSUMERS WHO WOULDN'T USUALLY ORDER A DESSERT
are more likely to purchase if there is an option to buy a mini dessert served with a hot drink.

FOR WHAT REASONS WOULD YOU CHOOSE TO ORDER A SHARING DESSERT?

37%	To eat a smaller portion as I'd be sharing it with someone else
33%	To enjoy the experience of sharing a dessert with friends and family
32%	To try a number of different smaller desserts
22%	To spend less by splitting the cost of a dessert
22%	It's more fun to share a dessert than have one to myself
12%	I would not choose to order a sharing dessert
11%	To have a bigger portion to myself
9%	To avoid buying a whole dessert for each of my children

CHOCOLATE BEVERAGES

Half of dessert consumers would usually order a hot drink after food, 9% more than the UK average consumer. A combination of hot beverage and dessert will engage with these consumers and give a greater perception of value while driving sales for both hot beverages and desserts individually.

66%
OF CONSUMERS
ORDER A **CHOCOLATE DRINK**
FOR A TREAT OCCASION

75% of dessert consumers order high quality chocolate beverages out of home with **one in ten consumers** ordering one on most visits. High quality chocolate drinks are enjoyed by younger consumers, suggesting more will enter the market in the next decade.

Three in five (62%) consumers who wouldn't normally order a dessert would order a high quality chocolate drink, providing an opportunity to increase their overall meal spend.

A fifth of dessert consumers would be motivated to order a high quality chocolate drink – whether hot, cold, non-alcoholic or alcoholic – if it is combined with a dessert offer, proving there is an appetite for dessert and beverage combination deals. There is also an opportunity in the QSR channel, as **three in five consumers** who would order a high quality chocolate beverage have visited fast food outlets in the last six months.

CALLEBAUT®

DRIVING DESSERT SALES

The main reasons that consumers do not purchase desserts are **appetite** and a **preference for savoury dishes,** however, operators can appeal to these consumers when it comes to purchasing desserts, cakes and pastries by offering more **value for money** or **lighter, better-for-you** options.

65%

OF CONSUMERS WHO WOULD NOT USUALLY PURCHASE DESSERT would purchase a high quality chocolate beverage, so adding a premium beverage to menus can tempt these consumers to indulge and help operators increase meal spend

BARRIERS TO ORDERING DESSERTS, CAKES OR PASTRIES FOR DESSERT REJECTORS

To drive purchase of desserts among these consumers, operators can consider offering a lower price dessert option. Offering a lower priced menu, or a dessert offering as part of a set two or three-course menu will uplift sales, while consumers believe they are getting more value for money.

FACTORS THAT WOULD ENCOURAGE REJECTORS TO ORDER DESSERTS, CAKES OR PASTRIES

3%	6%	2%	5%	7%	2%
Price of the dessert	Smaller portions	Option of a mini dessert served with a hot drink	If sharing dessert options were available	Set menus	Wider choice

WHAT SHOULD I PUT ON DESSERT MENUS NEXT YEAR?

The food market across the UK is dynamically evolving, here are our thoughts on what's going to continue to stay on-trend, as well as new themes we will start to see emerge.

1. STREET EATS

With the trend for street-food markets growing across the UK out of home market, there is a real opportunity for these operators to strengthen their dessert offering. Currently desserts do not feature in the top three courses consumers order from a street food market, however, more than a fifth (23%) of dessert consumers have visited a street food stall in the past six months providing a real opportunity for additional spend.

Hand-held desserts that can be eaten standing up and small tapas-style plates will grow in popularity with operators of street food and fast food outlets as well as in other sectors adding these formats to the menu.

2. GLOBAL FLAVOURS

Following the rise in popularity of street food, consumers are seeking authentic flavours taken from across the world. In the dessert category, we have already seen the sweet and salty flavour combinations from the US, including peanut butter & chocolate and maple syrup & crispy bacon, cross the pond and appear on UK breakfast menus and cake stands. We have also seen Asian flavours such as Matcha Green Tea, dragon fruit and the citrus fruit Yuzu enter the mainstream.

3. VIBRANT COLOURS

With 50 million Instagram posts featuring #Dessert, bright and bold colours will continue to feature on menus appealing to Millennials and Gen Z-ers. Naturally vibrant ingredients such as Ruby chocolate, which was introduced to the market two years ago, will feature more and more on mainstream menus in desserts such as Gold & Ruby Chocolate Cake.

4. NUTRITIONAL BENEFITS

In the confectionery market, brands are increasingly promoting items with increased levels of protein or fibre. While this is making its way into foodservice, particularly with salads, sandwiches and lunch options, it is yet to become commonplace. More than a quarter of dessert consumers would be more likely to choose a dessert that is rich in antioxidants. Consumers aged 18-44 are more attracted to options boasting this claim, so incorporating and promoting antioxidant content is more important for operators keen to engage with this demographic.

Although making healthier choices is important to today's consumer, there is still an underlying understanding that desserts are for indulgence rather than health.

ABOUT CALLEBAUT®

Using only the best ingredients, Callebaut® has been crafting its finest Belgian Chocolate for more than 100 years. Made with dedication passed on from generation to generation, Callebaut® chocolate enables chefs, caterers and operators in every channel to create outstanding all-day menus that will leave a lasting impression with their customers.

To support chefs and operators, Callebaut® provides recipe inspiration, tools and point of sale materials to demonstrate the accessibility of real Belgian chocolate in everyday application.

Part of Barry Callebaut, the world's leading manufacturer of high-quality chocolate and cocoa products, its innovation in the confectionery sector is unparalleled. The brand discovered and introduced Ruby chocolate to the market in 2017 and developed Ecl1pse in 2018, chocolate with only 1% added sugar. Most recently, Barry Callebaut has unveiled WholeFruit Chocolate, a fresh and fruity experience using the entire cacaofruit, which will be available to chefs and confectioners in 2020.

DISCOVER THE CALLEBAUT® CALLET RANGE

VISIT OUR WEBSITE TO REQUEST A FREE CALLEBAUT SAMPLE

OUR FINDINGS

CGA is the data and research consultancy of choice for the out-of-home food and drinks market, specialising in market measurement, consumer research and location planning.

What sets CGA apart is its unique ability to access the three key types of data (supply, demand and consumer) and then triangulate this data to provide the most complete and accurate picture of anyone in the out-of-home sector.

From its offices in Manchester, United Kingdom, and Chicago, United States, CGA experts work with many of the world's biggest consumer brands, including drinks manufacturers, consumer brand owners, food suppliers and wholesalers as well as pub, bar and restaurant retailers and government entities.

Founded in 1992, CGA's mission is to use its phenomenal data and expert insight of the leisure industry to give these brands the competitive edge, and get them where they want to be, faster.

The Callebaut Dessert Report has been developed using data derived from a nationally representative survey of 1,549 consumers who have visited the out of home market in the past six months. The survey was conducted in August 2019.

To learn more, visit
www.cga.co.uk

Additional Sources

1. CGA Food Insights19 | 2 MCA, Focus on Desserts Parlour Brands, February 2019

FOR MORE INSPIRATION, CHECK OUT OUR SERVING SUGGESTIONS ONLINE

Callebaut® has created a range of free materials, including channel guides and point of sale to help operators promote their sweet treats.

fortheloveofchoc.com

Callebaut.gb   @Callebaut_UKIE   YouTube Callebaut Chocolate

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