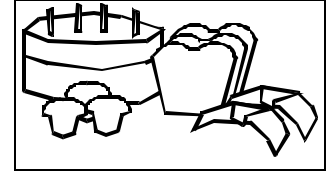


BAKERIES



SBDCNet. San Antonio. 2/27/04.

Retail Bakeries

SIC Code(s) Covered [5461-Retail Bakeries](#) ; NAICS Code(s) Covered [311811-Retail Bakeries](#)

Unlike other segments of the retail grocery industry that experienced steady loss of market share to competing supermarkets and superstores throughout the 1990s, the retail bakery industry experienced steady growth. According to Dun's Census of American Business, there were 30,530 retail bakeries in 1996 and 32,530 in 1997. Retail sales increased from \$6.5 billion in 1995 to \$6.9 billion in 1999, according to Ward's Business Directory of Private and Public Companies, 1999. This growth was attributed to new retailing strategies, new products, and consumers' increased demand for bakery goods. According to Peter Houstle, Vice President of the Retailer's Bakery Association, the ability to merge the independent baker with the supermarket was crucial to the industry's survival. In Bakery Production and Marketing, Carol Meres Kroskey wrote that a number of supermarkets opted to house bakeries of regional and national brands rather than expand in-house bakeries. Furthermore, products like the bagel experienced tremendous growth during the mid-1990s, adding significantly to the industry's overall growth.

The majority of stores in this classification are small, employing less than four persons and having sales between \$50,000 and \$99,000. More than 12,000 stores had sales in this range in 1997, and 2,180 stores reported sales under \$50,000. 5,496 stores had sales between \$100,000 and \$249,000; 2,828 stores had sales between \$250,000 and \$499,000; and about 2,800 stores reported sales more than \$500,000, including 175 that reported sales of more than \$5 million.

Source Citation: "Retail Bakeries." Encyclopedia of American Industries, 3rd ed. 2 vols. Gale Group, 2001. Reproduced in Business and Company Resource Center. Farmington Hills, Mich.:Gale Group. 2004.

When Business Occurs

Monthly sales in retail bakeries 2000 (Adapted from Food Institute; Bureau of Census from *Industry Insider(TM)* by The Investext Group: 800.662.7878 (US)
Copyright 2001 Food Institute)

January	7.8 %	May	8.5 %	September	8.3 %
February	7.5 %	June	8.5 %	October	8.2 %
March	8.2 %	July	8.6 %	November	8.4 %
April	8.2 %	August	8.5 %	December	9.3 %

Who Shops

Female Head of Household	69 %
Male Head of Household	18 %
Both	12 %
Other	1 %

Source: Progressive Grocer
70th Annual Report of the Grocery Industry – April 2003, pg. 20, 22

When Consumers Shop

Day of Week	All Shoppers	Employed Full-Time	Employed Part-Time	Not Employed
Sunday	16 %	19 %	21 %	11 %
Monday	12 %	11 %	8 %	14 %
Tuesday	9 %	4 %	13 %	15 %
Wednesday	13 %	7 %	15 %	18 %
Thursday	12 %	11 %	7 %	15 %
Friday	16 %	15 %	20 %	16 %
Saturday	22 %	33 %	16 %	11 %

Source: Progressive Grocer
70th Annual Report of the Grocery Industry – April 2003, pg. 20, 22

Major Items

Sales per buyer of 2001 fresh bakery goods in food stores:

Total Annual \$ per buyer- 98.77 (3.2 % of store sales)

Bagels \$11.12; Biscuits \$4.39; Breakfast cakes/sweet \$11.58; Bread \$47.54; Buns \$10.23; Cakes \$16.77; Cheesecake \$7.54; Doughnuts \$11.08; Muffins \$10.71; Pies \$8.00; Remaining \$6.61; TOTAL SALES \$16.3B

Sales per buyer of 2001 frozen bakery goods in food stores:

Total Annual \$ per buyer- 17.99 (0.39 % of store sales)

Bagels \$9.26; Bakery- remaining frozen \$6.17; Biscuits/ rolls/ muffins \$8.39; Breakfast cakes/sweet rolls \$6.16; Bread \$8.06; Cheesecake \$7.71; Cobbler/ dumplings/ strudel \$6.21; Cookies- rte/ cookie dough \$5.55; Dessert cakes \$6.48; Dough products - bread \$5.15; Pies \$9.63; TOTAL SALES \$1.8B

55th Annual Consumer Expenditures Study. Progressive Grocer, 81 (13): 15(24), September 15, 2002.
ISSN: 0033-0787

According to the U.S. Census Bureau Statistical Abstract of the United States: 2001 (pg 651), 71 % of supermarkets had a service bakery in 2000. This is a 2 % increase over 1999 figures. The following information is for in- store bakeries.

Service bakery census (US supermarket in-store bakery)

	2001	2000
Sales (billions)	\$8.60	\$8.25
Change from previous year	4.2%	8.5%
Number of service bakeries	23,200	22,600
% of supermarkets with service bakery	72%	71%
Bakery share of total store sales	2.1%	2.1%
Share in stores with service bakery	3.2%	3.2%
Average weekly sales	\$7,128	\$7,020

Department performance

	2001	2000
Gross margin	52.0%	51.8%
Labor as a % of sales	31.0%	31.5%
Employees per store: full-time	4.3	4.4
Employees per store: part-time	4.5	4.6
Full-time equivalent employees	6.6	6.7
Sales per employee hour	\$27.00	\$26.19
Sales per square foot	\$4.42	\$4.38
Size of bakery (sq. ft.)	1,610	1,600
% new hires in bakery: full-time	25%	32%
% new hires in bakery: part-time	35%	48%

Customer performance

	2001	2000
Average bakery purchase	\$2.81	\$2.79
% buying always or frequently	35.6%	38.9%
Weekly supermarket spending:		
All shoppers	\$72.93	\$77.85
Frequent bakery shoppers	\$82.29	\$88.92
Average weekly bakery transactions	2,536	2,507
Self-service sales	79%	78%

Progressive Grocer, 81 (5): 43(3), April 01, 2002. ISSN: 0033-0787

Supermarket Sales By Selected Departments – Percent of Total Supermarket Sales

	1992	1997	2002
Perishables	49.62	51.44	50.69
Service Deli	5.83	7.05	3.45
Baked Goods	3.41	3.36	3.19
In-Store Bakery	3.16	3.63	2.21

Source: Progressive Grocer/Supermarket Business

55th Annual Consumer Expenditures Study, September 15, 2003, pg. 22-28

50th Annual Consumer Expenditures Study, September 15, 1998, pg. 39-40

45th Annual Consumer Expenditures Study, September 15, 1993, pg. 60-61

Key Industry Facts – Prepared by FMI Information Service
November 2003

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