The Different Business Models of Bakery Chains in Europe

Opportunities and Threats for Operators along the Bakery Supply Chain

A multiclient study completed in January 2022

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A strategic analysis of the 50 most representative bakery chains in Europe

Scope

Products	**Fresh bread, viennoiserie, patisserie & savoury pastry products**.
Companies	**Profiles of the 50 most significant and representative bakery & coffee shop chains**: regardless of where they are based in Europe, and what bakery products they are focused on.
Countries	**Country reports:** The 15 key European countries + Russia. Covering fresh bakery product consumption, distribution & production, and providing an overview of bakery chains and their Business Models.
When	2010, 2019/2020 data, 2021 estimate, 2025 forecast.

What you get

Webinar	♦ **Publication webinar** highlighting the key research conclusions and insights from the study. Enables clients to maximise value from the research and disseminate insights to key staff.
Synthesis Report (86 pgs)	♦ **Pan-European view of bakery chains' structure and relative importance in the bakery supply chain.** The different Business Models of bakery chains: who they are, what they do (shops, manufacturing, etc.), where they operate (locations), what they offer, etc. Strategic insight on what is changing in the structure of European bakery chains: ownership, scale, diversification, integration in production … What could this mean for bakery product distributors and manufacturers.
Country Reports (30 pgs/country)	♦ **The key European countries for fresh bakery consumption**. Reports presenting the fresh bakery markets and showing the market share of the leading bakery chains in fresh bakery distribution and in fresh & bake-off bakery manufacturing. Key trends, bakery chain overview, main Business Models and competitive analysis.
Chain Profiles (4 pgs/chain)	♦ **The 50 most significant and representative bakery & coffee shop chains in Europe**. Short, insightful and informative profiles covering: - Key information: historical, ownership, financial indicators. - Store portfolio and locations. - Product mix and fresh bakery offer, pricing. - Marketing and communication, services and clients. - Fresh bakery product supply strategies, integration of production. - Recent developments, strategy, apparent strengths and weaknesses.

Reports & Cost

Reports	Electronic, printable & searchable PDF files. The reports are in English.
Cost	**EUR 13,500** (before any applicable tax) for the full report.

Bakery chains hold 15% market share in fresh bakery distribution, still growing

With blurring boundaries between retail and foodservice, and in an increasingly European competitive industrial environment, it is essential to understand which bakery chain business models will most impact bakery products distribution and production in the near future.

In many countries, bakery chains are now key players all along the bakery supply chain. In 2021, in the 14 countries under investigation, they accounted for:

- *15% of fresh bakery product distribution.*
- *2% of artisanal scratch bakery production.*
- *13% of industrial bakery production.*

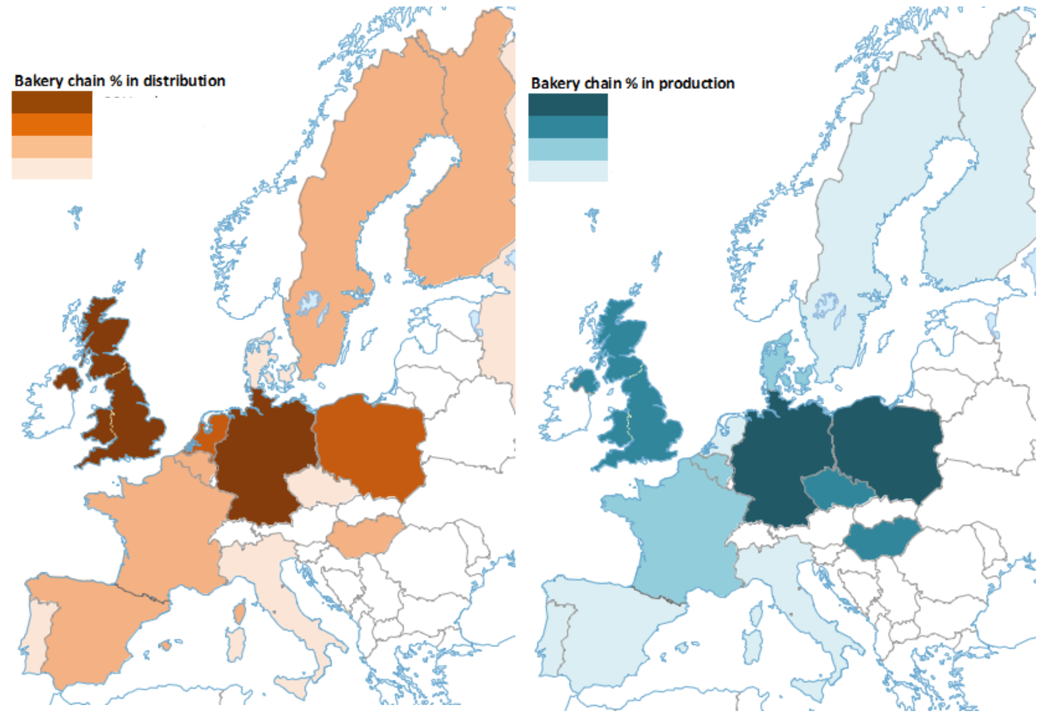
As illustrated in the opposite figure, the share of bakery chains in fresh bakery distribution and in bakery production greatly varies between countries:

- Bakery chains have sometimes taken over from artisan bakers as suppliers of daily bread.
- Some of them are largely involved in artisanal scratch production, thus becoming real threats for traditional artisans.
- Industrial plants of bakery chains can account for over 20% of industrial bakery products production in some countries.

As bakery chains are showing on-going developments, with over +3% CAGR anticipated up to 2025, **this report will help you understand the importance and dynamics of bakery and coffee shop chains along the full bakery supply chain**:

- Who are the top bakery and coffee shop chains?
- Which business model will be the most promising in the future?
- What each model offers and/or produces?
- To which extent they will challenge retailers, foodservice operators, and industrial bakers?
- How will these segments evolve?

Share of bakery chains in fresh bakery product distribution and in industrial bakery production, 2021



There is an urgent need to assess how chains' development could impact the future distribution and industrial competitive environment.
This has been done through **strategic profiles of the most significant and representative bakery and coffee shop chains, used as case studies**.

Chains are defined as running over 10 outlets.

In the 15 main European countries, Gira has counted over 400 bakery chains, totalling about 42,000 outlets:

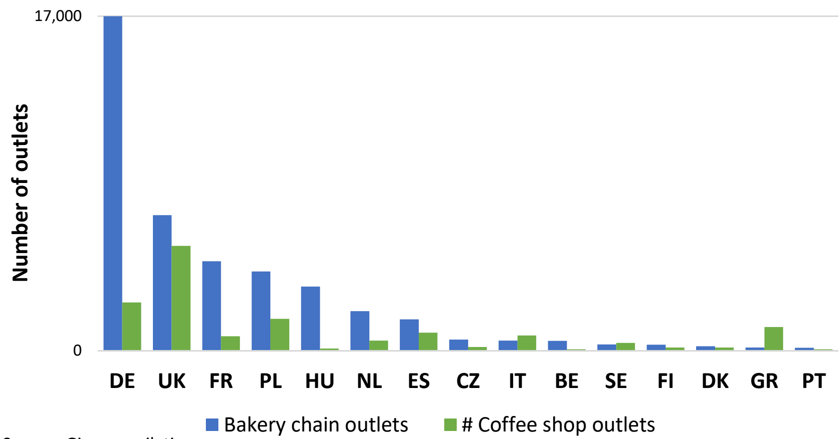
- And achieving a turnover of over EUR 13 bn in 2020 (excl. taxes).
- Germany sees the highest number of outlets by far, followed by the United Kingdom, France and Poland; but the number of bakery chain outlets is growing rapidly in most European countries.

On top of these "classic" bakery chains are over 100 coffee shop chains, running almost 14,800 outlets:

- And achieving a turnover of over EUR 6 bn in 2020 (excl. taxes).
- Branded coffee shops are growing by over 3% per year in Europe and are now offering fresh bakery products alongside traditional coffee.

The Bakery Chains study provides **League Tables**, listing 175 bakery chains and 53 coffee shop chains, with information on ownership, business model, number of outlets and turnover.

Bakery and coffee shop chains: number of outlets by country, 2020



Source: Gira compilations

The leading bakery and coffee shop chains in Europe, 2020/21 *(by # POS)*

Country	Fascia
EUR	*Subway*
HU	*Fornetti*
UK	*Greggs*
DE	*Bäckerbub, Bäckerhaus, K&U*
DE	*Schäfer's*
DE	*Steinecke*
NL	*t'Stoepje*
FR	*Marie Blachère*
DE	*H. von Allwörden*
HU	*Pek-Snack*
EUR	*Pret a Manger*
DE	*Kamps*
EUR	*Paul*
ES	*Cerveceria 100 Montaditos*
FR	*Relay H Café, Bread&Co, So!Coffee*
NL	*Echte Bakkersgilde*
ES	*Granier*
IT	*La Piadineria*
FR	*Brioche Dorée, Le Fournil de Pierre*
DE	*BackWerk*
BE	*Panos*
DE	*Bachmeier*
DE	*Unser Heimatbäcker*
DE	*Wünsche*
DE	*Bumüller*
DE	*Ihle*
FR	*La Mie Câline*
FR	*La Croissanterie*
HU	*Lipóti Pékség*
DE	*Heberer*
PL	*Oskroba*
DE	*Sehne*
FR	*La Panetière/Occipan*
DE	*Ditsch*

Source: Gira compilations

Country	Fascia
EUR	*Costa Coffee*
EUR	*McCafé*
EUR	*Starbucks*
EUR	*Caffe Nero*
EUR	*Tchibo Coffeebar*
PL	*Wild Bean Cafe*
EUR	*Espresso House*
GR	*Gregory's*
EUR	*Segafredo Zanetti*
UK	*BP Wild Bean Café*
EUR	*Coffee Fellows*
GR	*Everest*
GR	*Mikel Coffee*
NL	*HEMA Koffiecorner*
FR	*Columbus Café & Co*
EUR	*Joe & the Juice*
GR	*Coffee Lab*
IT	*Mokà Café*
GR	*Coffee Island*
UK	*Caffè Ritazza*
UK	*Coffee #1*
GR	*Coffee Berry*

Source: Gira compilations

This study is drawing conclusions from the comprehensive overview of over 70 European bakery and coffee shop chains, which follow eight different Business Models.

These Business Models have been analysed according to:

- **Customer Value Proposition:**
  - Product mix: the whole bakery range or specialised (patisserie, doughnuts, sandwiches etc.) - Food vs. beverage - Bakery vs. non bakery.
  - Service provided: eat-in vs. takeaway sales, click & collect & deliveries.
  - Shopping experience: brand image, store atmosphere, communication.
  - Value and price positioning.

- **Operating Model:**
  - Ownership: chains owned by industrial bakers, modern retail companies, foodservice groups, financial investors or even artisan bakers.
  - Location: city centres or suburb, shopping malls, transport hubs etc.
  - Type of store: stand alone, kiosk or shop-in-shop outlets.
  - Integrated or franchisees.
  - Customer segments: B2B and B2C activities.
  - Supply strategies and connexion with the industrial bakery sector:
    - Scratch baking as artisan bakers.
    - Or buying bake-off from wholesalers or industrial bakers.
    - Or even self-supplying with fresh or bake-off products from own central manufacturing plants.

In addition, **the study points out the factors that could potentially change the structure and activities of the chain sector in the future:**

- Ownership.
- Changes in existing concepts and new business models.
- Development of new services.
- Search for new types of locations.
- Extending sales to new channels or new customer segments.
- And trends in fresh bakery product supply strategies.

The detailed profiles of 50 bakery and coffee shop chains
illustrate the most significant and representative Business Models, emphasizing the potential winning and losing models.

Business Models of bakery and coffee shop chains

Business Model	Description
"Classic" bakery chain	• Offering classic and traditional recipes (bread often more important) • Mix positioning between traditional bakery and bakery café
Sandwich chain	• Specialised on sandwiches • Essentially foodservice outlets
Food to go	• Fast-food type chains, focusing on quick-service • Offering a small range, specialised in sweet/savoury snacks, grab-and-go options
Bakery café	• At the boarder between a restaurant and a bakery chain • Offering a complete range of sandwiches, snacks products
Artisan chain	• Artisanal production for part or all production • "Boulangerie" chains in FR, "Artisan guilds" in the NL, voluntary artisan chains in DK
Specialised chain	• Specialized range, mainly patisserie, doughnuts or US pastries • Specific chains: organic (CZ), low-carb (HU)
Discount chain	• Low price positioning • Usually focused on self-service
Coffee shops	• Offer primarily focused on coffee and cold drinks • Development of sweet bakery offer (Us pastries), then savoury products.

Examples of offer, services and supply strategies of bakery and coffee shop chains, depending on their Business Model

Source: Gira compilations

Within the bakery supply chain, there might be fierce competition or partnerships between bakery chains and other channels:

- **Competition:**
  - Bakery chains answer both needs for staple food and snacking experiences: as such, they are competing with artisan bakers, modern retail and foodservice channels.
  - There is tough competition between channels for a larger market share of the food-to-go business.
- **Or partnership, e.g.:**
  - Modern retailers renting their bakery corners to local bakery chains.
  - License agreement with caterers looking for brand expertise and quality reassurance.
  - Fresh bakery products deliveries to nearby restaurants or retailers.
  - B2C sales, as bakery and coffee shop chains are increasingly looking to partner with modern retailers to develop their branded B2C packaged products lines.

There might be also partnership or adjacent competition with industrial bakers or artisanal scratch bakers:

- Dynamic bakery chains may produce from scratch, which is an alternative to artisan bakers' or even modern retailers' offer.
- Bakery chains' own central manufacturing plants are becoming competitors of industrial bakers:
  - Offering attractive and local products.
  - Having direct contact with consumer through own outlets.
  - Sometimes even supplying retail stores or restaurants.

For the first time ever, this study provides an exhaustive analysis of the sourcing strategies of bakery and coffee shop chains, and their connexion with the industrial bakery sector (= their degree of integration):

- Gira has estimated that in 2021 about half of bakery chains fresh bakery supplies are produced in their own central plants (and delivered as fresh or bake-off to the outlets).
  - This share is also available by country and by Business Model.
- Gira has also quantified the share of bakery chains in artisanal scratch but also in national bake-off and fresh industrial bakery production.

With the on-going development of bakery chains, **what could be the potential threats** for retailers, foodservice operators and industrial bakery manufacturers? But could there be also any **opportunities**?

Channels

Examples of competition
- Other chains
- Premium artisan bakers
- Modern retail snack corners
- Workplace canteens
- QSR
- Restaurant home-deliveries

Examples of partnership
- Shop-in-shop in modern retail
- B2C or B2B activity
- Franchise in petrol stations
- Contract caterers
- Transport
- B2B deliveries to restaurants

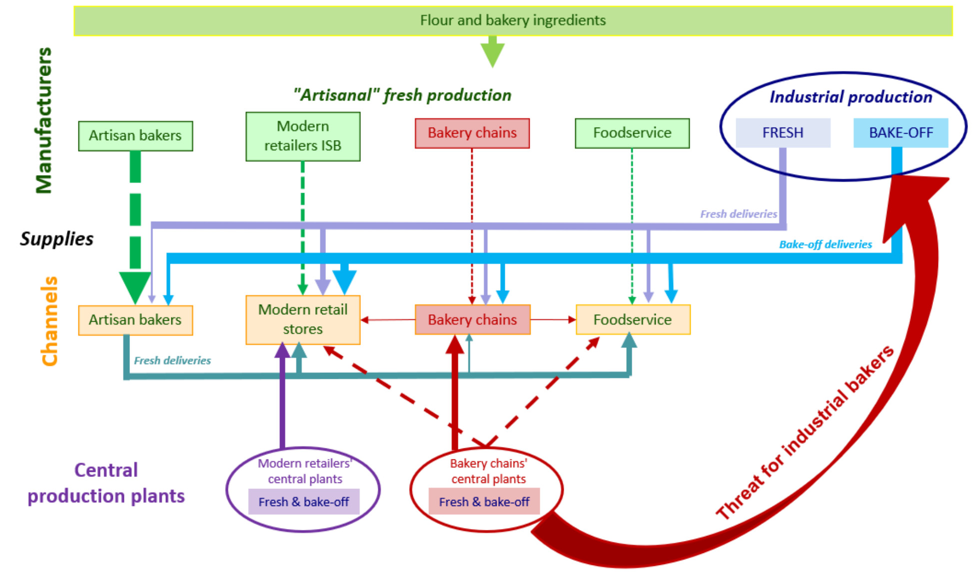
Bakery chains

Manufacturers

Examples of competition
- Artisan bakers' scratch
- Recruitment of artisans
- Deliveries to retail and foodservice outlets

Examples of partnership
- With artisans for specialities
- Artisan bakers' chains

Bakery chains within the fresh bakery supply chain



The key objective of our study was to better understand the importance and dynamics of bakery and coffee shop chains along the bakery supply chain:

- To do this we needed to know not just *who* the top bakery chains are, but also *what* their different Business Models are, *how* are they organised, what they *offer* and/or *produce*, and how have they *developed* in recent times.
- The winning Business Models and how bakery chains compete with other channels and manufacturers will drive changes in the competitive position of the European bakery sector in the mid-term.

To cover this Gira has carried out the following analyses:

- Initial analysis to narrow the research field and identify a list of significant and representative bakery and coffee shop chains to profile.

- **Strategic profiles** of the core activities of the 50 most significant and representative bakery and coffee shops chains, aiming at:
  - Presenting the different Business Models of bakery chains.
  - With comprehensive description of significant actors and their development strategies.

- **Country perspective:** analysis of the weight and perspectives of bakery chains in each main European country:
  - Short profiles presenting the fresh bakery markets.
  - Presentation of the leading bakery and coffee shop chains, analysis their main Business Models.
  - Bakery and coffee shop chain positioning in fresh bakery distribution and in fresh and bake-off bakery product manufacturing.
  - Strengths and weaknesses of the different chains and Business Models.
  - Market trends and competitive landscape, opportunities and threats, key success factors.

- **Strategic overview**: Pan-European view of bakery chains' structure and relative importance in the bakery supply chain.
  - Overview of the European fresh bakery markets and the bakery and coffee shop chain sector.
  - The different Business Models of chains: customer value propositions and operating models.
  - Competitive analysis: impact of the development of chains on bakery products retailers, foodservice operators and manufacturers.
  - Strategic insights on what is changing in the structure and strategies of European bakery chains.
  - Key Success Factors: which Business Models are the most active and promising, opportunities and threats.

At the end, you will be able to answer the following questions:

- How the bakery chain segment will *evolve*: size, ownership, bakery products offer and production.
- Which will be the fastest growing / more *promising* Business Models in the future? And where?
- To which extent bakery chains will *challenge* retailers, foodservice operators and industrial bakers?

Chain concepts

50 bakery chains in Europe, following significant and representative Business Model, classified e.g.:

- By type:
  - Artisan bakers' chains
  - Classic bakery chains
  - Sandwich chains
  - Coffee shop chains
  - Fast-food type chains
  - Specialised (doughnuts), etc.
- By owner:
  - Industrial bakers
  - Modern retailers
  - Millers
  - Foodservice companies
  - Investment companies, etc.

Country coverage

Germany, France, the United Kingdom, Spain, Poland, Belgium, the Netherlands, Hungary, Czech Republic, Portugal, Finland, Sweden, Denmark.
Short country profiles for: Greece, Russia, Italy.

Time horizon

All market data (consumption, distribution and production) are provided for 2013, 2019, 2020, 2021 estimate, 2025 forecasts.

Consumer product categories

- Fresh bakery products: bread, viennoiserie, patisserie, savoury pastry.
- Other food and beverage products.

Bakery and coffee shop chains profiles

Fascia	Country
Costa Coffee	UK
Subway	UK
Fornetti	HU
Greggs	UK
Starbucks	UK
Schäfer's	DE
Caffe Nero	UK
t'Stoepje	NL
H. von Allwörden	DE
Subway	FR
Kamps	DE
Pret a Manger	UK
Paul	FR
Cerveceria 100 Montaditos	ES
Echte Bakkersgilde	NL
Granier	ES
Brioche Dorée, Le Fournil de Pierre	FR
BackWerk	DE
Panos	BE
Espresso House	SE
La Mie Câline	FR
Lipóti Pékség	HU
Heberer	DE
Oskroba	PL

Fascia	Country
Ditsch	DE
Columbus Café & Co	FR
Boulangerie Ange	FR
Die Lohner's	DE
Cukiernia Sowa	PL
Bakker Bart	NL
Cooplands	UK
Krispy Kreme	UK
Venetis	GR
Lagkagehuset	DK
Santagloria	ES
Heide-Bäckerei Meyer	DE
Norbi Update low Carb	HU
Galeria Wypieków Lubaszka	PL
Gail's	UK
Le Perron	NL
A Padaria Portuguesa	PT
Dobra Pączkarnia	PL
Point Chaud	BE
Robert's Coffee	FI
Bageterie Boulevard (BB)	CZ
Gateau	SE
Le Pain Quotidien	BE

Well structured and factual reports, with strategic observation

The research is documented into a PowerPoint based report, formed as 3 main sections:

1) **Strategic Bakery chain profiles** - 50 significant and representative bakery chains and the key information behind them.
2) **Country reports** for the 16 Key European fresh bakery markets.
3) **Pan-European Synthesis report**.

Strategic Bakery chain profiles (4 pages each)

For each bakery chain, Gira provides the following information:

Company summary

- History and origin, ownership
- Overall store concept
- Key financial indicators

Store portfolio

- Number and locations, national and international presence
- Description and size
- Owned and franchised

Key numbers

- Turnover (overall and by outlet)
- # of clients per day, average ticket
- % bakery and % take-away in turnover

Product mix

- Standard assortment: bakery vs. non-bakery
- Value positioning
- Main fresh bakery product recipes
- Menu offer
- Main recent events in the assortment

Price and promotions

Marketing and communication

- Store fascia and image
- Atmosphere of the outlets
- Advertising

Services

- Opening hours and days
- Eat-in vs. takeaway sales
- Online sales, click & collect, deliveries etc.

Clients:

- B2C consumers, B2B outlets and wholesale activity

Fresh bakery product supply strategies / supply chain operations

Recent developments

Development strategy

Strengths and weaknesses.

Country reports (30 pages per country)

Providing the strategic and competitive context for each country:

Overall country summary

1. **The fresh bakery market: historical, current situation and 2025 trends**
   - Consumption dynamics
   - Distribution structure
   - Production structure (artisanal vs. industrial)
2. **Bakery chains' overview**
   - Structure of the bakery and coffee shop chain sector
   - Leading players
   - Location, product mix and services
   - Sourcing strategies and connexion with the industrial sector
3. **Competitive analysis**
   - Bakery chains' positioning in fresh bakery distribution
   - Bakery chains' positioning in fresh and bake-off bakery production
   - Summary of the different Business Models
   - Market trends and competitive landscape
   - Key success factors.

Pan-European Synthesis report (86 pages)

Executive summary

1. **Overview of the European fresh bakery markets**
2. **Overview of the bakery and coffee shop chain sector**
3. **The Business Models of bakery and coffee shop chains**
   - Customer value proposition
   - Operating model
4. **Competitive analysis**
   - Competition in bakery distribution
   - Competition in bakery production
5. **Strategic overview and conclusions**
   - Size of the bakery and coffee shop chain market
   - Market trends
   - Competitive market landscape
   - Key Success factors
6. **Bakery and coffee shop League Tables.**

Combination of expertise & data, desk research & interviews

Gira has been researching and analysing bakery industry since 1983, over which time Gira has built an understanding of the industry and a contact base within it, that allows Gira to deliver thoughtful insight on the how and why, alongside the how much.

We have used our tried and tested combination of **3 primary research approaches** in order to obtain the fullest possible cover of the key aspects and drivers of the markets to be analysed & forecast.

- **Internal databanks** on the bakery sector compiled from:
  - 35 years of research on the European bakery sectors.
  - Specific multiclient research programmes such as:
    - The 3 editions of the "Bakery Company Panorama" study.
    - The specific report on "Dynamic Bakery Products", covering e.g. doughnuts and US pastries and their specific retail chain network.
    - The 5th edition of the "Bake-off Bakery Markets in Europe" study (last published end-2019).
    - The recent report on "Covid-19 Crisis – Impact on European Bakery Markets" (July 2020, updated in March 2021).

- **Extensive documentary research** covering all aspects of the product supply chains, the markets to be analysed and the bakery chains network:
  - The trade press, bakery chains' websites, retailer and association websites.
  - Existing consumer and sector studies etc.
  - National production and statistics – contacts with administrations and producer associations.

- **In-depth interviews with key operators in the European bakery supply chain:**
  - We have carried out a large number of interviews with operators in all the countries covered, all along the bakery supply chain and especially with bakery chain operators.
    - These has enabled us to both fill in the gaps left by the documentary research and to obtain the required qualitative insights on bakery chains' structure and strategies, as well as on likely future developments in the markets and the competitive environments for operators.
  - The interviews have been carried out by Gira's experienced interviewer team, who have essentially targeted:
    - Significant bakery chains.
    - Fresh and bake-off bakery products manufacturers.
    - Modern retailers and foodservice operators.
    - Bakery wholesalers.
    - Associations, authorities and experts.
  - Gira's reputation in the sector allows us unrivalled access to the industry.

Timing

The reports have been published in December 2021 and January 2022.

Subscription

The full subscription price for the **complete** Study is **EUR 13,500** (before any applicable tax).
The price includes:

- The Synthesis report.
- 16 Country reports.
- 50 Bakery Chain profiles.
- Webinar.

Reports

The full Study is available in PowerPoint writing style reports, which are easily navigable.
Clients receive the reports electronically in searchable and printable PDF format.

- Hard copies are available at an additional cost of EUR 400 per copy.

Presentation

- Gira will be pleased to make a free presentation/workshop of the findings & conclusions of the study for clients in their offices in Europe; only travel expenses to the client's office will be rebilled at cost.

For more information, please contact our industry specialists:

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Over the last 30 years we have built up a **major reputation** and client base in the international bakery sector.

- A list of our more recent bakery clients is given on the next page of this proposal.
- Gira has carried out many assignments in recent years for bakery companies, especially in the area of fresh bakery products distribution and production.
- Gira is active in strategy consulting and market research in most food and drink sectors worldwide. More details are available on www.girafood.com.

Gira's **extensive network of international experts**, contacts and clients all along the bakery chain means that it is uniquely qualified to carry out this innovative and highly challenging research and analysis project.

- Experience has also shown that our long-standing reputation for research and consultancy in the global market opens doors for us to the most informed and competent sources of information.

Gira's team of managers & consultants is probably **the most experienced & knowledgeable** in European bakery markets today:

- The Gira team has been supervised by **Anne Fremaux**, Director of Bakery, 30 years with Gira.
  - She is responsible for all of Gira's bakery research projects and she is well-known for her expertise throughout the European bakery sector.
  - She has headed up a very large number of strategic consultancy, due diligence and research assignments throughout the food & drink chain worldwide.
  - She will lead contact for clients.

- **Ségolène Foissac** has been the **project manager** of this study, 6 years with Gira.
  - She is responsible within Gira for a large range of studies in Spain and Latin America.
  - She has worked successfully on all the last Bakery studies.

- Our team consists of **Gira consultants with wide experience in the bakery sector**, retail & foodservice, each of whom has an **intimate knowledge of the individual country market** & industries for which she/he is responsible.
  - Most of the Gira team had also worked on the 2017 edition of the Bakery Panorama, the Dynamic Bakery study, the last 2019 edition of the Bake-off study and the Covid-19 report.

AB-Mauri	East Balt	Lidl	Panzani
Agromousquetaires	Erlenbacher Backwaren	Lieken AG	Pasquier
AIBI Aisbl	Eurogerm	Limagrains	Pastisart
AIT Ingrédients	Europain	LLI Goodmills	Puratos PatisFrance
Ankerbrot	Europastry	Mademoiselle Desserts	Phil Savours
Arla Pro	European Flour Milling Association	Mane	Pomona
Artadi Alimentacion	European Union	Mapple Leaf Foods	Rabobank
Aryzta	Evergrain	Mc Key Holdco	Rademaker
Asemac	IFF-Dupont	Mecatherm	Rich Products Corp.
Atrian Bakers	Fazer	Mitsui & co Benelux	Royale Lacroix
Barry Callebaut	Fedima	Monbake	Sasa Industries
Bimbo	Ferrero	Mondial Forni	Smart 74
Bridor	Forno d'Asolo	Monoprix	Smilde Bakery
Carrefour	Fourneo	Moulins Soufflet	Solvay Aroma Performance
CEBP Aisbl	Friesland Campina	Nederlands Bakkerij Centrum	Système U
Ceres	Gemef Industries	Nestlé	Transgourmet
CNIEL	Gourmand Pastries	Neuhauser	Unigrà
Cofalec	Holder-Château Blanc	Novozymes	Unigrains
Complet	Ingredion	Nowel SP	Uno Bakeries
Confédération de la Boulangerie	Ipasa	Nudespa	Upfield
Coppenrath & Wiese	Irinox	Nutrixo	Valora
Corman	JBT Food Tech	Oetker-Condifa Ancel	Valrhona
CSM Bakery Supplies	Kerry Ravifruits	Orkla Food Ingredients	Vandemoortele
Dawn Foods	La Lorraine Bakery Group	Pagen	Wolf Butterback
Deco Industrie	Lantmännen Unibake	Panotel	Yamazaki Baking
Delibreads	Leclerc Galec	Panamar Panaderos	Zeelandia
Dutch Bakery	Lesaffre		
Banks and Investment Funds			