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Sweet Biscuits, Snack Bars, and Fruit Snacks in the United Arab Emirates (UAE)

2020 Impact

Sweet Biscuits, Snack Bars, and Fruit Snacks Largely Benefitted from the Pandemic Due to Snacking Culture

Sweet biscuits, snack bars, and fruit snacks largely benefitted from the COVID-19 pandemic in 2020 overall. Current value growth rates are expected to rise for several reasons. Firstly, as the key retail distributors remained open, consumers have been able to continue purchasing sweet biscuits, snack bars, and fruit snacks. Similarly, when lockdown began being implemented in Q2, many consumers stockpiled out of fear that there would be a shortage of food. Despite only lasting for a few weeks, this led to an overall increase in current value growth in 2020. Moreover, extended periods of free time have likely led consumers to snack more often out of boredom. The streaming platform Netflix has announced that since the beginning of lockdown they have had a surge in the volume of viewers. With snacking and streaming going hand in hand, many consumers have likely opted for sweet biscuits, snack bars, and fruit snacks as their choice of snack. Additionally, during times of anxiety, many consumers turn to comfort eating to ease their stress. Since the outbreak of the virus in Q2, there has likely been an increase in consumers' comfort eating, thus causing a surge in current value growth.

Dried fruit in particular performed well. Strong sales were supported by the strong traditional role of dates in Arabic culture and the Islamic faith. Dried dates are a popular snack, appetizer, and dessert in the United Arab Emirates (UAE). Dates consumption likely reached its peak in Ramadan which fell during the lockdown. Many Muslims break their fasts with dates because they are high in carbohydrates, fiber, and potassium. However, before the pandemic, dates were increasingly becoming a year-round option, stimulated by the expanding range of products on offer, including Khodri and Medjoul and other dates with nuts and fruits. Dates are becoming a regional trademark, encouraging consumers to choose dates as a gift or souvenir. The vitamin, mineral, and fiber content of dates, meanwhile, make them highly compatible with the growing demand for healthy snacks, particularly in the wake of COVID-19 where more consumers have become more aware of their health.

Snack bars, on the other hand, underperformed compared to the rest of sweet biscuits, snack bars, and fruit snacks. Pre-pandemic, snack bars were popular due to their on-the-go consumption. Consumers with busy lifestyles found snack bars to be a convenient way to eat while multitasking. However, as lockdown has caused many to work from home and travel less, there has been less of a demand for snack bars. While at home, consumers have been more likely to prioritize sit-down

Highlights

- This issue provides insights on COVID-19's impact on sweet biscuits, snack bars, and fruit snacks industry in the UAE.
- This report also discusses the growth of e-commerce in the UAE in 2020.
- Due to the growing trend of health and wellness, most of the consumers are consuming fruit snacks and sales grew more during the COVID-19 pandemic.

meals and take the time to cook, maybe even cooking for a few days in advance. Nonetheless, current value growth rates were expected to rise, but at a slower rate than other products.

Forecourt Retailers See the Share of Sales Plummet as E-commerce Gathers Pace Due to the Pandemic

Lockdown was commenced in Q2 2020, which will likely lead to e-commerce seeing the highest growth rates in 2020 overall and a noticeable share of sales. Before lockdown, e-commerce was not very popular. However, it has gained success due to the pandemic. Many consumers have chosen to shop through e-commerce to prevent contracting the virus. Even once lockdown restrictions ease, many consumers will likely remain skeptical about returning to normal and will continue to only leave their homes if necessary. Similarly, those that have discovered e-commerce for the first time during the pandemic may find they prefer that way of shopping and never return to in-store retail distributors.

Forecourt retailers, on the other hand, are expected to see growth rates of shares plummet in 2020 overall. As forecourt retailers' sales are largely made up of customers purchasing products when stopping for petrol, lockdown restrictions will impede on this largely. With fewer customers due to travel restrictions, forecourt retailers will experience fewer sales of sweet biscuits, snack bars, and fruit snacks. Particularly as products are commonly bought to snack on-the-go while driving, sales made have plummeted as fewer consumers are on the road. Additionally, those who have still needed to travel, have likely been stopping for petrol less, as they have only been using it to go to and from work. In a bid to reduce any unnecessary contact with the virus, many customers have likely been paying for petrol only, rather than purchasing products that an unknown amount of people have also had contact with.

Recovery and Opportunities

Fruit Snacks will Continue Performing the Best Over the Forecast Period as Consumers Prioritize Health

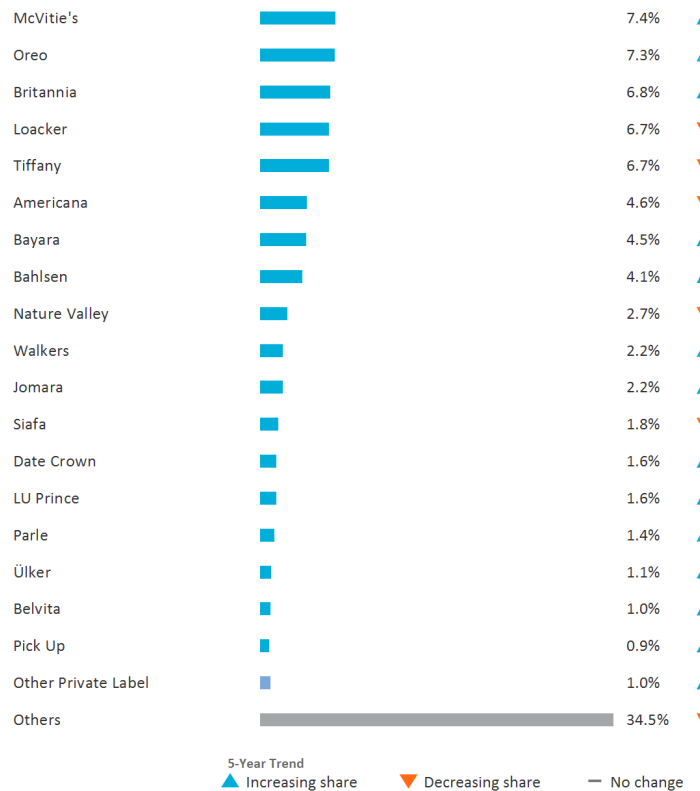
At the beginning of the forecast period, fruit snacks are anticipated to grow positively in terms of current value growth rates. Before the pandemic, fruit snacks were the highest performer due to the growing health and wellness trend which will likely be accelerated by the COVID-19 pandemic. As the virus has created a global concern about overall health, in particular the link between healthiness and the immune system, many consumers will likely start purchasing healthier snacks. Fruit snacks are generally regarded as a healthier alternative snack to snack bars and sweet biscuits, so consumers will be likely to trade, in a bid to become healthier. Over the review period, working out has also become increasingly popular and more accessible to everyone via home workout videos. Health-conscious consumers will likely prioritize fruit snacks to accompany their fitness regimes. Towards the end of the forecast period, fruit snacks are predicted to decrease slightly in terms of current value growth rates and then stagnate. This will be likely due to the initial surge in popularity softening as consumers become less concerned about their health the further in the past the pandemic becomes.

Snack Bars and Sweet Biscuits will likely be Impacted by the Long-term Effects of the Pandemic Over the Forecast Period as Consumers Switch Priorities

Snack bars and sweet biscuits are both anticipated to drop in current value growth rates at the beginning of the forecast period. As the outbreak of COVID-19 will likely spark a serious health kick from many consumers, they will be more likely to avoid these types of snack products. As consumers continue to engage more with their health, sweet biscuits will continue to lose consumers to healthier alternatives. Despite being considered healthy, snack bars will also continue to be outperformed by fruit snacks. Snack bars are typically used for on-the-go consumption; however, the effects of the pandemic will likely spread into the early stages of the forecast period, thus impacting consumption habits. Many consumers will likely continue to work from home or will slowly return to work but on a rotation system. Snack bars consumption heavily relies on busy schedules however with reduced working hours or remote working, there will be less of a demand for on-the-go products. Over the rest of the forecast period, snack bars are anticipated to gather pace in terms of current value growth rates, most likely as consumers return to a more normal working schedule. Sweet biscuits on the other hand are anticipated to grow at a much slower rate, likely as many consumers distance themselves further from any unhealthy snacks.

Brand Shares of Sweet Biscuits, Snack Bars and Fruit Snacks in United Arab Emirates

% Share (LBN) - Retail Value RSP - 2020



Consumers will likely Become more Familiar with Economizing Over the Forecast Period as the Pandemic Leaves many in Financial Hardship

The average frequency of grocery shopping declined at the end of the review period, largely as a result of the imposition of VAT across packaged food. This trend will likely continue during the forecast period as not only have consumers become more familiar with economizing due to the introduction of VAT, but many will also be suffering financial hardship due to the pandemic. Consumers will likely be grocery shopping less and also prioritizing only essential products. This could be potentially detrimental to luxury food such as sweet biscuits which have already been suffering due to the growing health and wellness trend. ■

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