

20 CATEGORY INSIGHT 14 REPORT

BARS



BAR WONDER

Bars can do it all: be nutritious, satisfy a sweet tooth, replace a meal, provide health benefits and taste good. Not just simply granola anymore, the category continues to innovate and churn out new concepts, formats, ingredients and flavors. Consequently, new product launch activity remains steady and the category is forecasted to grow by 13% in value in the next five years.

The mainstay trends of this category will remain, such as sweet flavors, portability and healthy ingredients. However, we expect to see several new trends in this category including the incorporation of veggies, plant protein and savory flavors, as well as an ever-increasing role of social media in marketing and promotion.

So sit back and relax. We've unwrapped the newest bar introductions, delved deeper into what's driving the category and identified future innovations and opportunities for product development.

NEW PRODUCT LAUNCHES

While introductions seem to be trending down for 2014, we expect the second and third quarters to show higher levels of activity between back to school snacks, new formats with functional ingredients and the introduction of gluten-free options. Consumers are looking for “on-the-go” convenience and portability when it comes to snacking and demand it to be nutritious and wallet-friendly.

U.S. Snack/Cereal/Energy Bars January 2010 - March 2014

2010	407
2011	421
2012	538
2013	512
2014	52

FLAVORS

Chocolate flavor remains the fan favorite for snack, cereal and energy bars followed by peanut butter and berry flavors, including strawberry and blueberry. Marshmallow and honey also are tops with consumers as are combinations of the above. Superfruits, especially blueberries, açai and goji, are appearing in granola clusters, bites and energy bars.

Top 10 Flavors

1. Chocolate
2. Peanut Butter
3. Chocolate & Peanut Butter
4. Strawberry
5. Marshmallow
6. Plain
7. Blueberry
8. Berry
9. Honey
10. Apple & Cinnamon

CLAIMS

“Good for you” claims have dominated new products in the past four years. From high protein to added fiber and allergen-free, bars continue to offer consumers a convenient way to supplement their individual fitness, nutrition and health efforts. And, not surprisingly, gluten-free new product claims doubled between 2011-2013 and show no sign of slowing down.



- Top 10 Claims**
1. Kosher
 2. Low/No/Reduced Allergen
 3. Gluten-free
 4. Ethical - Environmentally Friendly Package
 5. Wholegrain
 6. All Natural Product
 7. High Protein
 8. No Additives/Preservatives
 9. High/Added Fiber
 10. Organic

**Gluten-Free Bars
2009 - 2013**

2009	59
2010	94
2011	82
2012	96
2013	191

DRIVERS

Bars reflect consumer snacking, dietary and lifestyle trends. Here's a look at seven consumer drivers behind recent product launches and innovations.



1. INDULGENT, DESSERT-INSPIRED FLAVORS

Sweet flavors, like chocolate and caramel, have continued to dominate the category but there is emergence with brands taking sweet to the next level with decadent, indulgent, dessert-inspired flavors. Category favorite, Kellogg's Special K brand, recently introduced their "Moments" snack bites featuring rich creamy coconut with just 70 calories per serving.



2. BETTER-FOR-YOU SNACKING

With nearly 60% of all snack foods now positioned as "better-for-you," according to Innova Market Insights, bars continue to prove the perfect format for healthy ingredients. With added fiber and protein, snack, cereal and energy bars will continue to push the boundaries with health and wellness. Nature Valley has entered the high protein arena with a new Strawberry Greek Yogurt Protein Bar containing 10g of protein.

3. PLANNED SNACKS

Whether it's a mid-morning handful of nuts or an afternoon coffee with a pastry, consumers are snacking to stave off hunger and get them to the next mealtime. Sixty-one percent of consumers want a snack to tide them over and 66% snack to satisfy a craving. Bars fit the snacking profile perfectly because they meet the demands of both consumer groups: they are portable, great tasting and satisfying.

4. PORTABILITY

Got somewhere to go? Bring a bar! Easy to tote, single serving bars fill the bill for a snack break. Twenty percent of consumers are choosing bars for between meal snacks and women are most likely to choose a bar as a meal replacement.

DRIVERS (continued)



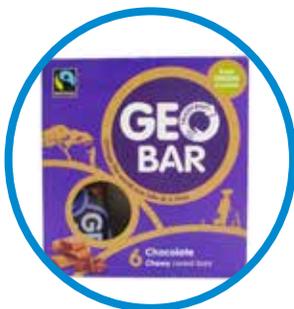
5. SNACKS YOU'LL WANT TO SHARE

Manufacturers are starting to make “minis, bites, balls, clusters” that promote sharing and smaller portion sizes. Belmont Foods’ Harvested For You introduced natural, bite size, soft squares made with rolled oats, raw sunflower seeds, raw sliced almonds, raw pumpkin seeds, rice crispies, dried cranberries, almond butter, honey, sea salt, cinnamon and topped with dark chocolate drizzle — all in a shareable bag.



6. ANCIENT GRAINS

Valued for their high protein content and, in some cases, gluten-free claims, ancient grains are appearing in snack and granola bars. Kashi recently introduced two ancient grain, all natural bars: Chocolate Chip Chia and Crunchy Granola & Seed. Each is made with chia seeds and a wholegrain blend containing quinoa. A serving provides 320mg of ALA Omega 3, 23g of whole grains and 3g of fiber.



7. CONSCIENCE SNACKING, CONSCIOUS CHOICE

North American consumers are interested in ethical and environmental claims and many change their purchasing decisions based on companies’ corporate social responsibility policies. Cereal bar brands have the opportunity to take advantage of the potential of a Fairtrade positioning, and signs point that the market is heading this way: 28% of cereal, energy and snack bars launched in North America carried this claim, up from just 14% in 2008. Brands can look to the Geobar in Europe for inspiration on successful positioning with this claim.

FUTURE OPPORTUNITIES



VEGGIES IN SNACK BARS

Incorporating vegetables into snack bars could give brands a distinctive place in the healthy snacking market, especially in bars marketed for children. Parents looking to provide snacks that do double-duty will appreciate Plum Organics Go Bar. Offered in three great flavors, the Go Bar is a chewy oat bar containing five organic veggies and fruits including carrot, sweet potato, kale, date and apple.



SAVORY FLAVORS

While traditionally a category focused on sweet or breakfast flavors like cinnamon or honey, savory flavors are slowly making their appearance in bars. Snack bar cult favorite, the Kind Company just introduced at Natural Products Expo West, the addition of a Strong & Kind, a new line of savory protein bars with varieties including honey smoked barbecue, Thai sweet chili and roasted jalapeno.



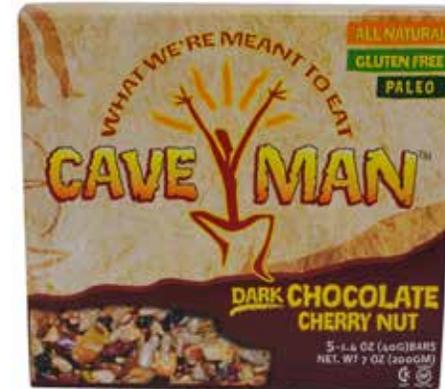
PLANT PROTEIN

Pea protein provides a solution to consumers looking for plant-based protein alternatives. A new line of organic chewy granola bars from Cascadian Farm have 9 grams of plant protein in two flavors: honey roasted nut and peanut butter chocolate chip.

FUTURE OPPORTUNITIES (continued)

FOOD-BASED LIFESTYLES

From vegan to gluten-free, health conscious consumers continue to eat with food and nutrition principals in mind. The most recent food-based lifestyle to emerge is the Paleo diet. It involves essentially eating as our caveman ancestors did with high protein, nuts, plants and fruits. Snack makers are jumping on board with back to basic bars with no additives. Who knew we'd see bison in a snack bar? Epic Bar has a variety of protein bars, including turkey, beef, lamb and grass-fed bison. The bison bar boasts 11 grams of protein, is low-glycemic and gluten-free and also includes uncured bacon and dried cranberries. Another new entry, Cave Man Dark Chocolate Cherry Nut Bar is all-natural, gluten-free and Paleo-friendly bar made with organic dark chocolate, bing cherries, premium nuts and no peanuts.



FONA CAN HELP!

Let FONA's market insight and research experts translate these trends into product category ideas for your brand. They can help you with concept and flavor pipeline development, ideation, consumer studies and white space analysis to pinpoint opportunities in the market.

Our flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. We understand how to mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution. From concept to manufacturing, we're here every step of the way.

Contact our Sales Service Department at 630.578.8600 to request a flavor sample or visit www.fona.com.

Sources:

Ibid

Mintel: The Snacking Occasion: US February 2014

Mintel: Category Insight: Cereal, Energy & Snack Bars, April 2013