

20 TREND INSIGHT 14 REPORT

SNACKING AND CONSUMERS

The American consumers' love affair with snacking began over 100 years ago with the humble and timeless potato chip. Snacking has now evolved into an actual meal category with sales over 64 billion dollars and almost endless products available to meet consumers' wide-ranging tastes and demands.

This shift is the result of consumers' active, mobile lifestyles. They are on the go and eating traditional meals around a table less often. They're looking for snacks that fit into this lifestyle while delivering value and taste. A consumer's mental checklist of must-haves while selecting a snack might be: portable, easy/fast, value priced, healthy, delicious and shareable.



TIME FOR A QUICK SNACK

Typically eaten at a time other than traditional mealtime, snacks can be either a single food group (think a piece of fruit or chunk of cheese) or be a portion of a meal category (like a half a sandwich). Regardless of the type of snack, consumers are snacking three or more times per day, which represents an increase of 12% from 2010 to 2013. And, 60% of consumers are snacking after noon¹.

It comes as no surprise that the most popular on-the-go snacks are easily portable or hand-held. In fact, on-the-go snacking is a growing trend up 5% since 2009 with 45% of consumers looking for convenient, easy-to-pack snacks.² Snacks available in multi-packs or pre-packaged in individual portions fit consumers need for convenience. In this category, consumers choose cereal and snack bars (31%), meat snacks (29%) and salty snacks (23%) for a quick bite³.

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New Product Introductions



Emerald on the Go!
Peanut Butter & Jelly Flavor Mixed Nuts

Each 1.3 oz bag features raspberry glazed almonds, honey roasted peanuts and natural almonds.



Dole Nutrition Plus Shakers
Yellow Power Fruit & Veggie Smoothie

Made with pineapple, mango, sweet potato and carrot, as well as Greek yogurt with pre- and probiotics. Only requires the addition of juice and a good shake. Consumers drink straight from container.

HEALTH MATTERS

Salty Snacks

Health is the priority for many consumers especially when it comes to their diet. Thirty percent of consumers see snacking as part of a healthy diet,⁴ and 65% are trying to choose/eat healthy snacks.⁵ But for most, healthy choices feel like a tradeoff because while consumers want snacks to be healthy, they also want to feel satisfied with both taste and portion.

In years past, manufacturers have made healthier potato chips, but consumers weren't fond of the cardboard texture or lack of taste. They expect a healthy chip to have the same satisfying crunch of a regular chip along with the great taste. Enter sweet potato chips, whole-grain snacks, ready-to-eat popcorn and popped chips—the darling of snackers and dippers everywhere — all designed in light of rising obesity rates to give consumers healthy alternatives to traditional salty snacks. The popularity of chip alternatives reflects the consumers' willingness to snack healthier and make a substitute for the tried and true potato chip.

Clean Labels

Another trend related to the health consciousness of consumers is the preference and demand for a clean label. Consumers identify products with complicated sounding preservatives as unnecessary and associate products containing them as being unhealthy. To the consumer, the cleaner the label, the healthier the product.⁶

New Product Introductions



Cofresh Poppadum Curls Chilli Lemon Flavored Lentil Snacks are spicy and tangy.



Ocean's Halo Sea Salt Seaweed Chips are baked and provide 85 calories, 2.5g of fat and 5g of protein per serving.



Green Giant Veggie Blend-Ins 100% Butternut Squash Purée has only one ingredient on the label: Butternut squash. The product packaging advertises: "Just squash, nothing else."

While consumers want snacks to be healthy, they also want to feel satisfied with both taste and portion.

Flavor is everything, and by using flavors, manufacturers can bring excitement and variety to healthy snacks like popcorn, wheat crackers or yogurts.

THE TRUMP CARD IS TASTE

Ask consumers why they are snacking and 66% will tell you they are snacking for the enjoyment of eating or to satisfy an emotional craving, while 61% of consumers snack to stave off physical hunger between meals.⁷

But at the end of the day, if it doesn't taste good, consumers would rather not waste the calories on it. Flavor is everything, and by using flavors, manufacturers can bring excitement and variety to healthy snacks like popcorn, wheat crackers or yogurts.

New Product Introductions



Kellogg's Special K Pastry Crisps are available in six flavors. They ranked #3 on the Top 10 Food & Beverage Brands list and achieved \$100 million in total year-one dollar sales.⁸



Lay's Kettle Cooked Lattice Cut Roasted Garlic & Sea Salt Potato Chips are said to be crafted with care and cooked in small batches.



ONE FOR ME, ONE FOR YOU

Today's consumer is all about sharing. Whether life events on Facebook or tweeting about the great meal they just ate, consumers love sharing what they know with their friends, families, co-workers and many times, complete strangers. At the root of all this sharing is the need to connect.

U.S. consumers also do this in their snacking, especially around holidays, sporting events, office parties or at the park. Bags of shareable snacks

make connecting easier and turn a simple event into a shareable moment. Restaurant menus also embrace this trend with sliders, tapas, or flatbreads, all created with sharing in mind.

IT'S ALL ABOUT THE BENJAMINS

No matter how good snacks taste, if a snack is priced too high, consumers will seek out alternatives. Consumers are loyal to brands, but willing to sacrifice their loyalty for price. Also, where consumers shop for snacks is shifting from traditional grocery or drug stores

to multi-outlets like Target, Wal-Mart or Costco where they can buy a variety pack of their favorite snacks at a fair price.

SNACKS SHOULD HAVE IT ALL

Really anything can be a snack: a cup of soup, a bar, cheese and crackers, waffles-to-go, Greek yogurt. But as we know, format is the key to bringing meal concepts to snack size. Many larger formats have been miniaturized (think the classic Ritz Bitz from the 90's – ahead of it's time) while shareable snacks have their place.

But for long-term success and staying power, a prepared snack has to fit the trends above that consumers. Snacks that fit all of these attributes will win in the snacking category.

Sources:

- 1,2. *Snack World, 2013 State of the Industry Report*, pg 15.
- 3,5,7. *Mintel: The Snacking Occasion, February 2014*, pg 75,104,15.
4. <http://www.iriworldwide.com/Portals/0/ArticlePdfs/SNAXPO2013-for-Webinar.pdf>
6. <http://www.foodproductdesign.com/news/2014/03/consumers-drive-innovation-in-clean-label-formula.aspx>
8. <http://www.iriworldwide.com/NewsEvents/Press-Releases/ItemID/1878/View/Details.aspx>

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.