

20 TREND INSIGHT 16 REPORT

SNACK HAPPY

If you haven't noticed, the American consumer has become snack-obsessed. With 94% of consumers admitting to snacking at least once a day and half snacking 2-3 times a day, creating a new snack formulation is a pretty safe bet.¹

Consider this your guide to all things snacking. We will reveal snacking insights, drivers, flavors and unique applications that have consumers opening the box, digging in the bag or tearing open the pouch on a daily basis.

The Third Degree - quick snack facts²

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- of snackers pay close attention to their sweet snack consumption, limiting treats like cookies, candy, and ice cream.
- of consumers are making healthier snack choices than in 2014.
- of parents are serving healthier snacks to their kids.
- of snackers want more conveniently packaged snacks



Driving the Snack Bus

When it comes to snacking, consumers have several motivations other than they're just plain hungry or to satisfy a craving. The main drivers of consumer snacking include:

Health

With more than half of U.S. consumers trying to take some control over the healthfulness of their diets, the need for BFY (better for you) snacks is greater than ever.³ And more than 20% of consumers expect added nutrition from their snacks like protein.⁴ Some consumers are even going as far as snacking only on healthy foods, a challenging goal certainly but one that increased 4% from 2008-2014.⁵ Consumers want to make healthy snacking choices, and creative full flavored applications will fit the bill, or the bag—pun intended.

Convenience

While healthy options are important, a snack also has to be convenient. If it requires lots of prep, is in too big of a bag or makes a mess, a consumer is most likely going to make a different choice. Ready to eat (RTE) snacks are important to 77% of snackers which speaks to the importance of convenience.⁶ Consequently, packaging becomes a top priority for a great snack, especially when transport or children are involved. Resealable pouches, bags or boxes, single portion sizes, and aseptic packages all make snacking much more convenient and portable. And with the increase in online food shopping, the lighter weight resealable pouches make shipping more economical and help minimize breakage. For some snacks, like squeezable fruit sauce, dispensing is easier and assists consumers in being able to use the entire product.

Taste

One of the reasons 62% of consumers snack other than hunger is to satisfy boredom, but their health goals can conflict with mindless snacking.⁷ This is where taste and flavor come into play. Creating tasty applications with bold, full flavored profiles, especially in portion-controlled formats, gives consumers the flavor they want in a calorie-friendly size. In every snack, healthy or otherwise, 51% of consumers agree taste and flavor matters more than health because if a snack doesn't taste great, they are not eating it no matter how healthy.⁸

Clean Label

More and more companies are trying to give consumers what they want—and that is a clean label with ingredients that they recognize and are minimally processed. Clean labels win consumer loyalty and eventually so should the brand producing them. While consumers expect snacks to contain more controversial ingredients like GMO's or artificial ingredients, that doesn't mean they like it that way.⁹ The simpler is still the better for consumers when it comes to the labels and ingredient lists for their snack selections, especially the 44% of Millennials who pay particular attention.¹⁰

Snacking Occasions

Snacking takes place for consumers at any time of the day, and a snack can be made of any food group, at any time. Ramen for a midday morning pick-me-up? Yes. A frozen peanut butter coated banana at bedtime? Sure thing. What is interesting is that for most consumers, snacks are at their healthiest early in the day while progressively becoming more indulgent as the day turns to night. Snacks also become sweeter as the hours pass when consumers bring out ice cream containers and cookie boxes looking for a little treat.

In the Snack Bag, Categorically Speaking

To assist you with your product development efforts, we're taking a closer look at some popular snack categories with a keen eye to consumer drivers, flavors and new product highlights. And, be sure to read to the end where we cover categories that are blurring daypart lines and gaining customer interest.

Bars

Convenient, portable, sweet or savory – bars are the perfect snack for most consumer groups. Bars can be classified as nutritional, performance (protein), weight loss or snack bars even though all qualify as snacks. About 69% of consumers agree eat bars on a regular basis. And the market reflects the strength of the bar category as bar sales increased 30% from 2009-2014 to \$6.2 billion. Bar growth is expected to reach \$6.8 billion in 2019.¹³

- Bars have been called out for their high sugar content, which has created a PR problem for the category. 36% of consumers have issue with sugar in bars and 40% actively seek out bars with reduced or low sugar.¹⁴ With only 18% of bars launched between 2014-15 claiming low sugar, it seems there is opportunity.¹⁵ Sugar substitutes like stevia or naturally sweet fruit pieces are possible solutions along with creating savory bars.
- Consumers respond to functionality in bars, and this is one area that could help bars maintain a strong foothold in the snack market. High protein, high fiber, low sugar, and natural ingredients are traits desired in bars.¹⁶ Also, women would like to see bars that

promote fullness or satiety to help meet weight loss goals.

- Natural ingredients resulting in a clean label are important to 26% of consumers when choosing a bar.¹⁷ The success of Kind bars with its simple and short ingredient statement speaks to this preference.
- If asked to dream up the perfect bar, 65% of consumers would develop a healthy bar and 28% would create an indulgent one.¹⁸
- Only 19% of consumers use bars as meal replacements while 48% treat bars as between-meal snacks, creating opportunity for positioning.¹⁹



Bar Flavors

Certain flavor combos are popular when it comes to bars. Fruit and nut, chocolate and nut, sweet and nut – you get the idea – nuts in bars contribute protein, flavor and a health halo. Chocolate is another recurring ingredient, especially dark chocolate which is perceived as healthier. Spice in the form of cinnamon is seen as boosting satiety along with its health benefits. Finally, berry flavors like blueberry and strawberry continue their reign with antioxidant properties and the perception of freshness. Here are the flavors that star.

New Product Introductions

- Red Muscle Health Peanut Butter Naturally Flavoured Crisp Bar is clinically proven to build muscle with Fortetropin, a fertilized egg based protein and lipid complex that increases protein synthesis and inhibits muscle degradation pathways. The product rejuvenates with 20g of non-GMO protein and other ingredients that help to sustain energy and get the user back to prime condition.
- Abbott Zone Perfect Perfectly Simple Peppermint Bark Nutrition Bars contain fewer than 200 calories, have 10 grams of plant-based protein to keep fuller for longer, and are gluten free.
- Nature's Bakery Blueberry Fig Bar is made with ancient grains including amaranth, teff and sorghum. This product is free from gluten, cholesterol, dairy, trans fat, GMO, high fructose corn syrup, artificial flavors, colors and preservatives
- Raw Rev Glo Creamy Peanut Butter & Sea Salt Bar is described as a bar with raw superfoods and contains 15g protein, 14g fiber and 2g sugar. The product is made from minimally processed plant based ingredients, infused with organic raw superfoods and antioxidants.
- Eat Good, Feel Good, Do Good. Bounce Energy Balls are natural and nutritious balls that deliver blasts of protein and/or vitality. Flavors include Peanut Cacao, Coconut & Macadamia, and Superberry.

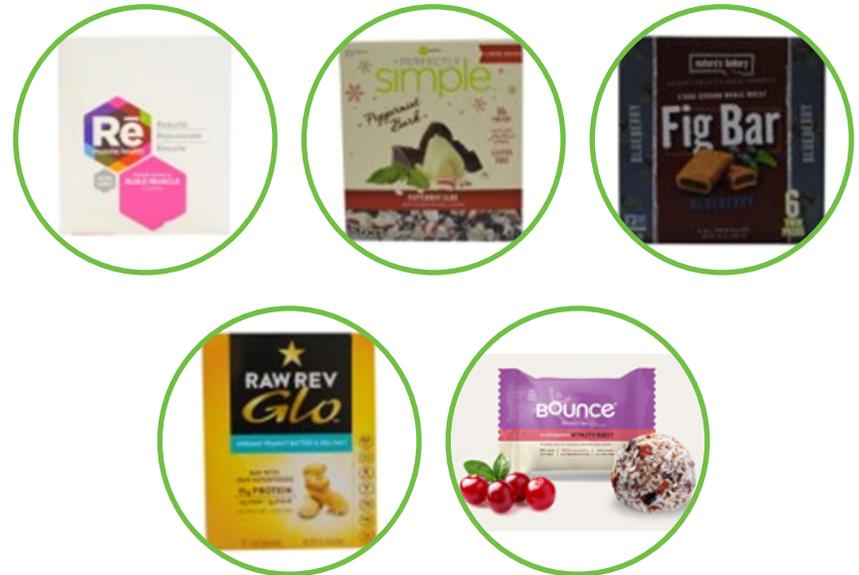
Top Flavors

Chocolate
Peanut Butter
Chocolate & Peanut Butter
Berry
Blueberry
Strawberry
Marshmallow
Honey
Dark Chocolate
Apple & Cinnamon

Emerging Flavors

Chocolate Coconut
Banana + anything
Almond Blueberry
Chili Pepper + Dark Chocolate
Chai Tea + Pumpkin
Pizza (Zesty Pizza Sprouted Flax Snax)
Almond + everything
Strawberry Streusel

Where Country matches USA and Date Published is between Dec 2010 and current date (Dec 2015) and Sub-Category matches Snack/Cereal/Energy Bars



Yogurt

The flavors of Greece have helped expand yogurt to American consumers, creating an \$8 billion category.²⁰ While the category may seem saturated, it is far from plateauing. Formats like drinkable yogurt, expanding into savory flavors and appealing to younger consumers will give the category the legs to carry it into the future.

Yogurt Trends

- Despite its high protein content, especially in Greek yogurt, the category faces similar issues as bars concerning sugar in the U.S.
- Yogurt consumption drops with age, with 83% of kids consuming yogurt while 58% of adults ate it on a regular basis in 2014.²¹
- Consumers are interested in drinkable yogurt formats but 80% have yet to try them and many need more familiarity before doing so.²²
- One-quarter of men are open to the idea of drinking their yogurt compared to only 19% of women, interesting because only 42% of men eat spoonable yogurt regularly compared to 67% of women.²³
- Regardless where it comes from, the category is expected to experience a 28.8% growth by 2020 with over \$724 million in sales from \$562m in 2015.²⁴
- Newer to the category is the non-dairy yogurt, appealing to those with dairy allergies. About 20% partake and more than 33% would be open to trying it if more non-dairy options were available.²⁵
- The recent blending of yogurt products with oats and ancient grains are line extensions that create a breakfast health synergy consumers appreciate. The convenience, portability, and high protein content of yogurt combined with the fiber benefits of grains could be the perfect satiating snack.



Yogurt Flavors

Yogurt flavors run the gamut covering themes of health, indulgence, freshness and satiety. Grain ingredients like oats or chia bring satiety and are at their best when combined with blueberry, strawberry, apple, and cranberry. Yogurt as dessert is a two-for-one bonus with dessert-inspired flavors like key lime pie or strawberry cheesecake making an afternoon snack feel like a treat. And the younger set will be pleased with the addition of party flavors like root beer or cotton candy while their parents appreciate the fact they are eating them in a healthy yogurt. Speaking of health, flavors like coconut, dark chocolate, and pomegranate challenge consumers' palates and bring a sense of wellness while berry flavors offer freshness. Finally, we can't ignore the influx of banana flavors that appear to be growing. Whether the re-emergence of the flavor is due to the tropical feel it brings or its healthy profile, we are excited to see the sweet and savory combinations created using this classic. Bacon banana yogurt, perhaps?

New Product Introductions

- Stonyfield Organic Oh My Yog! Apple Cinnamon Organic Trilayer Yogurt is made from a family recipe with layers of whole milk cream, yogurt and fruit with a touch of honey.
- Sierra Nevada Capretta Non Fat Plain Goat Yogurt offers a creamy texture and a refreshing, clean taste with exceptional health benefits.
- The White Moustache Dates Handmade Yogurt is made according to a traditional recipe from a Persian village.
- Dahlicious Lassi Organic Banana Masala Indian Style Smoothie is made using 100% organic, grass-fed cultured whole milk, and contains over 15 billion live probiotics.
- Coconut Dream Blueberry Coconut Non-Dairy Yogurt is made from real coconut and does not contain dairy, lactose, gluten or genetically engineered ingredients.

Top Flavors

Strawberry
Blueberry
Plain
Vanilla
Peach
Banana & Strawberry
Raspberry
Berry
Honey
Black Cherry
Key Lime
Cherry
Mango
Pineapple

Emerging Flavors

Coconut
Cotton Candy
Coffee
Macchiato
Salted Caramel
Strawberry Cream
Banana Caramel
Banana Masala
Root Beer
Jujube + Red Date

Where Country matches USA and Date Published is between Dec 2010 and current date (Dec 2015) and Sub-Category matches one or more of Spoonable Yogurt, Drinking Yogurt & Liquid Cultured Milk



Salty Snacks

A tasty vehicle for dips and salsas or comfortable going solo, a salty snack satisfies like no other. And it's no wonder as 90% of households in the U.S. purchase salty snacks with 82% purchasing solely for their own consumption.²⁶ With \$5.6 billion sales in 2014, an increase of 15% from 2009, salty snacks fill the bill for consumers looking to satisfy between meal cravings and increased snacking occasions.²⁷

Salty Snack Trends

- Better-for-you snacks are becoming more available and segments like popcorn, which has experienced a whopping 21% growth in sales between 2009-2014, are meeting consumer demands.²⁸ Popcorn is flavor-friendly, RTE and has a high health perception among consumers making it the perfect snack. Plus, it has a high satiety factor.
 - About 76% of consumers believe that there are healthier salty snack options than ever but 80% feel that they should be eaten in moderation.²⁹
 - Taste is the priority with consumers as 63% value a salty snack's ability to indulge over its nutrition.³⁰
 - Cheese snacks, despite nutritional drawbacks, are also very popular with consumers and have a category share of 38%.³¹
 - Ancient grains, root vegetables, and especially seaweed continue to bring the health to the salty snack category. Seaweed, popular with some consumers since the 80's, is a real presence on national grocery chain shelves in a variety of palate-pleasing flavors like onion, sriracha, and BBQ.
- Clean label is of course growing in salty snacks, with 56% of consumers concerned about the ingredients in salty snacks. . The FDA's recent ruling on partially hydrogenated oils resulted in a 20% low/no/reduced fat claim increase between 2009-2014.³⁴
 - Packaging is important in salty snacks, especially resealable pouches as consumers like the portability, share-ability and resulting convenience they provide. Single serve packages continue to be important especially to younger consumers.



Salty Snack Flavors

While cheese and plain rank near the top of salty snack flavors, there is a definite spice factor making strong inroads. Consumers, especially Millennials, love bold flavors on their salty snacks and with healthy formats, flavor can bring the indulgent factor. Foodservice is seeing a proliferation of bitter flavors especially on canvases like kale and root vegetable chips that is expected to make its way into retail. Think Matcha green tea chips or dill pickle flavored chips. Lay's recent "Do Us a Flavor" campaign had Reuben flavored chips complete with sauerkraut so why shouldn't bitter be next?

New Product Introductions

- GimMe Organic GimMe Chips Teriyaki Flavored Seaweed Rice Chips contain organic brown rice, seaweed, lentils and sesame seeds.
- Cape Cod Popcorn Duos Cherry & Cinnamon Popcorn is wholegrain, kosher certified and gluten-free. This seasonal non-GMO product, is made with real fruit.
- Savoritz Sriracha Ancient Grains Crisps contain greater than or equal to 15g wholegrain per serving.
- Cape Cod Kettle Cooked Barbeque Ranch Potato Waffle Cut Chips are described as double-sliced for an extra hearty crunch and seasoned to perfection with a special combination of smoky barbeque spices and the creamy surprise of ranch.
- Skippy P.B. Bites Pretzel Center with Peanut Butter Coating Snacks are made with real Skippy peanut butter. This product is described as portable, pop-able snacks completely covered in Skippy peanut butter coating.

Top Flavors

Plain
Cheddar Cheese
Sea Salt
Cheese
Salt
Barbecue
Salted & Roasted
Butter
Roasted/Toasted
Caramel
Onion & Sour Cream

Emerging Flavors

Coconut
Cotton Candy
Coffee
Macchiato
Salted Caramel
Strawberry Cream
Banana Caramel
Banana Masala
Root Beer
Jujube + Red Date

Where Country matches USA and Date Published is between Dec 2010 and current date (Dec 2015) and Sub-Category matches one or more of Bean-Based Snacks, Cassava & Other Root-Based Snacks, Corn-Based Snacks, Potato Snacks, Rice Snacks, Vegetable Snacks, Wheat & Other Grain-Based Snacks, Popcorn, Nuts, Snack Mixes



Blurred Lines: The Snacks That Are Crossing Over

With 70% of consumers agreeing that anything and everything is becoming a snack, some categories have the potential to make big moves, spreading their flavor love into snacks.³⁷ Here are the potential movers and shakers:

Mini Meals

The idea that anything can be a snack is transitioning from trend to rule in the industry. Consumers young and old agree that sometimes something more than a bar or bag of chips is needed to curb a craving or midday hunger pang. Called the mini meal, these smaller portions give consumers the opportunity to eat something light, yet more substantial than a snack, to tide them over between meals. Mini meals are practically a new snack category in their own right, blurring boundaries with smaller sizes of applications like frozen foods or protein amped dips that up the ante with additions of beans, legumes, grains, meat, poultry, dairy, etc. to deliver the desired health benefits.

Already gold in a teenage snack arsenal, frozen foods like pizzas, mini corn dogs, cheese sticks and the like, could cross over the other way into meal replacement for adults. Smaller portioned, easy to prepare and relatively inexpensive, frozen appetizers and snacks allow for flavor and cuisine exploration for older generations. And the flavors of teenage favorites are classic for snack applications to please older consumers. The outlook for the mini meal as a snacking trend is fairly big.

- Hummus Plus products deliver a protein-packed snack or meal in a variety of savory flavors. Included in the line are Roasted Red Pepper Hummus + BBQ Seasoned Chicken Breast, Sun-Dried Tomato Hummus + Oven-Roasted Chicken Breast, and Garlic Hummus + Chipotle Chicken Breast.
- Hormel REV Pepperoni Pizza Flavored Meat Snack Mix is now available. The product is described as a delicious snack on-the-go, made with cheese crackers and parmesan, tomato and herb bagel chips with crispy crunchy pepperoni.
- Evol. Street Tacos Sweet Potato, Black Bean & Goat Cheese Tacos are free from gluten and are suitable for vegetarians. The microwavable product contains 8g of protein and 5g fiber per serving.



Cereal

Already a snack for teens, cereal's familiar taste, and RTE shape makes for excellent snack opportunities and concept creativity. Think snack mixes, bites, bars, cereal milk (thanks Momofuku) and even layered between two pieces of bread with peanut butter. Or take the flavors of a particular cereal and re-work them into a different format all together.

- Emerald Breakfast On The Go! Lemon Poppy Seed Nutty Bites are bite-sized clusters of cashews, almonds, puffed ancient grains, poppy seeds and lemon peel.
- 180° Organic Nutty Quinoa Bites with Blueberries and Rice is a oven baked healthy snack that has crafted in the USA. The USDA organic bites are made using healthy ingredients and free from gluten and peanut. This kosher certified product retails in a 18-oz. pack.



Cracker/chip

The cracker as a chip is not new, but is slowly catching on. A healthier, lighter version of a potato chip but with the flakiness and vehicle capability of a cracker makes the cracker/chip snacking crossover consumers are hungry for.

- Cheez-It Grooves Original Cheddar Crispy Cracker Chips are described as the best of Cheez-It and a chip in one.
- Kellogg's Special K Salt and Vinegar Cracker Chips are said to be irresistibly zesty with a punchy flair.



Biscuits/Cookies

As the cracker chip has had success, the sweet crisp hopes to have the same. Bringing sweet cookie flavors into a snack format is a way to leverage flavors without being classified as dessert.

- Goodness Knows Cranberry, Almond and Dark Chocolate Snack Squares are made with tangy sweet cranberries, roasted almond, dark chocolate and hand-picked cocoa beans.
- Specially Selected Cranberry Almond Sweet Crisps are naturally lactose free, kosher certified, and provide sixty calories per four piece serving.
- Go Raw Pumpkin Seed Sprouted Bites contain rich dates, agave nectar and a sprinkling of heart-healthy sprouted flaxseed and Celtic sea salt. The sprouted seeds are said to promote a super-charge digestion and support optimal health.



Soups

Is "souping" the next big thing? Certain companies like Tio Gazpacho are banking on it. While soup king Campbell's has had a drinkable soup format, chilled drinkable soups are newer to the category and might be the perfect fit for the snacking consumer who is tired of juicing and wants something savory and more filling. While consumers haven't quite caught on to the idea of drinkable soup, as more products enter the market especially in shelf stable formats, the nutrition profile and satiety will have them skipping the bowl.

- Tio Gazpacho Organic Gazpacho de Sol Chilled Vegetable Soup is now available. It is said to be no bowl required and consists of yellow tomato, yellow pepper and carrot, as well as cucumber, shallot, garlic, olive oil and white wine vinegar.



Drinks

Beverages want a seat on the grain train as well. Incorporating grains into a beverage creates a nutrition powerhouse that is convenient, filling and time saving when compared to preparing a bowl of oatmeal.

- Ancient Grains Nuwi Quinoa Smoothie with Strawberry is said to offer a super punch of nutrition by being high in complete vegan protein with all nine essential amino acids. This all natural, ready to drink product is rich in fiber, has a high iron and magnesium content and is a low cholesterol source of complex carbohydrates. It is described as a vegan superfood, which can be enjoyed as a healthy snack that contains no added sugar, gluten, lactose and soy.



CONCLUSION

Consumers' busy lifestyles and nutrition needs are driving the snack market creating a demand for convenient, healthy and flavorful concepts. FONA is here to help! Our flavor technologists are ready to assist you in developing your next winning snack application – savory or sweet. Contact us today.

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.

CONTACT OUR SALES SERVICE DEPARTMENT

at 630.578.8600 to request a flavor sample or visit www.fona.com.

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