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WE MAKE FOOD HAPPEN

# SNACK TRENDS

OCTOBER 2018

# Snack Trends

These days sitting at a table and eating off a plate with a knife and fork is unlikely to happen once a day, much less the traditional 3 times. What's replacing the meal ritual is constant snacking that starts when the alarm goes off and ends only when head hits pillow.

And yes, it's those ubiquitous Millennials ('85-'94) and upcoming Gen Zs ('95-'05) driving the behavior. At the "heavy user" end of the spectrum they're more likely to snack 4+ times a day (25%), versus 10% of Gen Xers ('65-'84) and 9% of Boomers ('46-'64) (Mintel).

As a food and beverage innovation firm, we help clients envision their future through new product success. So we ask: what's your snacking strategy?

We'd love to help your business tap into this huge behavioral shift: from pipeline strategy, to concept, to product development and scale up. Let's discuss: cold brew in one hand, snack in the other.

And if snacking isn't your priority in 2019, we can also help with whatever is.

**- The Mattson Team**

# SNACK STATS

**94%**

Adults
**snack daily** [1]

**42%**

consumers use
**QSR and Fast Casual 1-2x/week to meet snack/treat needs** [2]

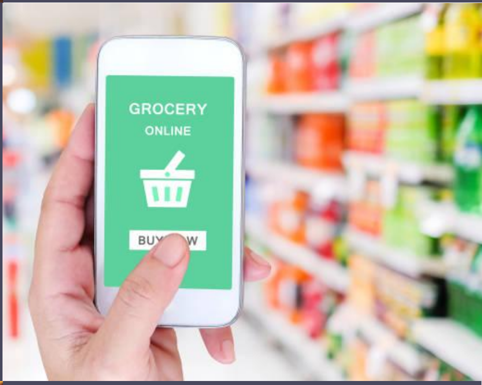
**50%**

consumers snack to
**"treat themselves"** [1]

**Snacks bought online grew**

**15%**

in 2017 [2]




**28%**

say **taste is more important than health** [1]

Snacks serve multiple needs

- **Treat/ Indulgence**
- **Special Occasions**
- **Celebrations**
- **Hunger Satisfaction**
- **Daily Nutrition**
- **Meet Energy/Fuel Goals** [2]

Source: [1]: Mintel; [2]: IRI

# SNACK STATS

**Health & Wellness Snacking**
$17.5 B
+6%

**Fresh Snacking**
$6.8 B
+8%

**Shelf Stable Snacking**
$10.7 B
+5%

*Source: SPINS, 52 Weeks ending 4/22/2018 vs YAGO*

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TREND 1

# **Upcycling:** using waste products as ingredients

**What:**

Snacks whose reason for being is to find value in food that is normally thrown away.

**Why:**

There's a huge public focus on food waste and reducing it benefits the planet. These products give consumers a "feel good," "conscious consumption" reason to purchase.

**How**:

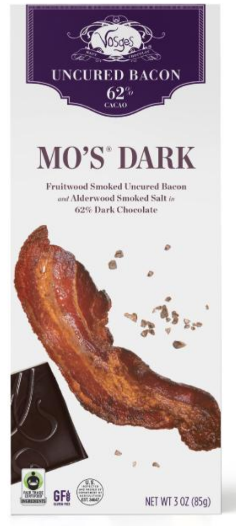
Leverage waste streams that are typically sent to landfill, or used as animal feed.

**Don't Dismiss:**

That the hardest part is supply chain planning: how to secure volume to support success. And, it's critical to nail consumer communication to avoid the "ick" factor.










TREND 2

# Unusual Combinations of Sweet & Savory

**What:**

Take 2 flavors or ingredients that run in different circles and combine them. Examples: seaweed + chocolate and cheese + caramel.

**Why**:

Consumers are always looking for new flavor experiences and this provides layers of flavor beyond what's expected. The risk -- and cost -- of trying a wacky flavor combo is lower in snacking than at mealtime.

**How:**

It's important to establish the brand first with more familiar flavors, then branch out into the unusual.

**Most Importantly:**

This flavor trend taps into ***both*** snack cravings: sweet and salty. Volume and frequency potential is huge.

TREND 3

# Fermented & Cultured Snacks



**What:**

Fermentation/culturing provides unique, savory (umami) or familiar sour (yogurt) flavors, giving the base snack ingredient high flavor impact--which snacks should have!

**Why:**

There's now a general understanding of, and consumer desire for, probiotics and gut health. These snacks can deliver a unique nutrition benefit even if they don't naturally contain live and active cultures--and some don't--because they can be *fortified* with probiotics to deliver on the promise.


**How:**

The fermented ingredient may be the bulk of the snack (Trader Joe's Dried Kimchi) or it may be an ingredient like Farmhouse Culture, in which sauerkraut is combined with the more typical snack bases, corn and rice.

**Don't Forget:**

Prebiotics would nicely round out the consumer health offering.



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TREND 4

# **Form Factor:** Flats, Barks, Thins, Brittles

**What:**

Thin, crispy snacks, usually baked for flavor development and crunch. In some cases, it's a way to deliver a cookie-like experience without using the C-word. Because they're thin, consumers can space them out over time, and ultimately feel like they ate lots of them.

**Why:**

If done right, the random shapes can look natural, wholesome, homemade. This flexible format allows for signature ingredients consumers can easily see, such as grains, fruits, and chocolate chips.

**How**:

Usually made from a sheeted dough or batter broken or cut into non-homogenous shapes. Since these can often be high in sugar to achieve crunch, they're more of a fit with the "treat myself" occasion.

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TREND 5
# Vegetable Snacking

**What:**

Both refrigerated and shelf-stable produce snacks that tap into the knowledge that everyone should be eating more vegetables. Often times these snacks pair vegetables with familiar snack flavors like Kale + Nacho Cheese and Carrots + Ranch. Usually crispy and salty, these healthful snacks deliver on that craving for Doritos without the guilt.

**Why:**

Vegetables provide permission: it’s an easy way for consumers to get real superfood nutrition in a format that fits their on-the-go lifestyle.

**How**:

Real fresh veggies would require setting up refrigerated distribution, but this can also be done via partnership or licensing agreements. It’s hard to differentiate in this crowded category: you need to find a unique point of difference.

**Let’s Marvel At**:

Calbee’s extraordinary success with Harvest Snaps… an extruded snack merchandised in produce!












TREND 6

# Complete, Complex, Multi-Textured

**What:**

These are mostly refrigerated snacks but they don't have to be. While a few examples are focused on delivering high protein, others are about a unique sensory experience that combines soft and crunchy or smooth and crispy. These more complex snacks work well in multiple channels: retail, club, C-store, and Foodservice grab-and-go.

**Why**:

When humans experience multiple textures, it comes across more like a meal; more like real food. These new forms allow consumers to eat snacks on the go that they'd normally have to make/assemble at home.

**How:**

Unique packaging solutions can help keep moisture migration from happening: so crispy stays crisp while soft stays soft. Otherwise, products need to be formulated to resist this natural process.

TREND 7

# Breakfast Snacking

**What:**

Snacking starts in the morning, so these foods tap into that AM need for something to tide consumers over until… their next snack. While these are usually sweet, they can swing savory, i.e. breakfast jerky. Flavor choices can drive AM positioning as much as food form factor. In other words, a maple bacon flavor of anything can meet this need.

**Why:**

We know many consumers eat multiple times before lunch, yet not many brands play here. The opportunity is huge. And because breakfast behavior tends to be ritualistic, these types of snacks can achieve daily frequency.

**How:**

Brands need to figure out the food form first, then the AM flavor strategy can follow.

**Don't forget:**

To also consider caffeinated varieties to enhance breakfast benefits!






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TREND 8

# Soup Snacks

**What:**

Consider these drinkable savory soups, or, if you will, savory juices/smoothies. Some are marketed as gazpacho, but they don't have to be. Most are meant to be consumed chilled, some new entrants like Fawen suggest drinking at room temperature. These snacks can be as low as 100 calories or less per package (1 serving) because they're mostly vegetable: with clean, wholesome ingredient statements.

**Why:**

Anything drinkable provides the convenience of grab-and-go, even while driving. They offer real vegetable nutrition without fortification. And they can be delicious and refreshing if formulated well (which is not easy).

**How**:

Fresh versions may use High Pressure Pasteurization (HPP) which is costly, but results in the highest quality. However, HPP products still need refrigerated distribution because it is not a sterilization process.

**Missed Opportunity:**

Campbell's has struggled with their canned line for years. It's a wonder they didn't use their HPP brand (Garden Fresh Gourmet) to do this fresh, but now it's too late: they just sold their fresh business!

TREND 9

# Beans & Legumes - especially Lentils/Chickpeas

**What:**

Beans used in places where corn, wheat, and rice would have been only a few years ago. The pulses are used for protein and fiber without having to fortify to get there. They're usually crunchy and savory like traditional salty snacks… but not always, as beans are starting to swing into sweet.

**Why:**

Beans provide a wholesome, natural halo because consumers assume they will be high in fiber and protein. Beans can make a snack--like triangular fried chips--seem new and innovative, yet familiar.

**How:**

Multiple ways of executing on this trend:

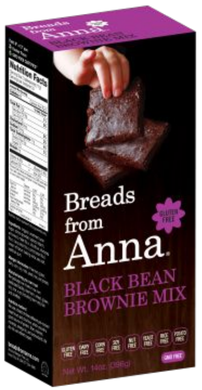
- Sheeted + fried chips (Beanfield)
- Extruded/puffed (Hippeas, Plentils)
- Roasted/Fried/Vacuum-fried whole beans (The Good Bean)

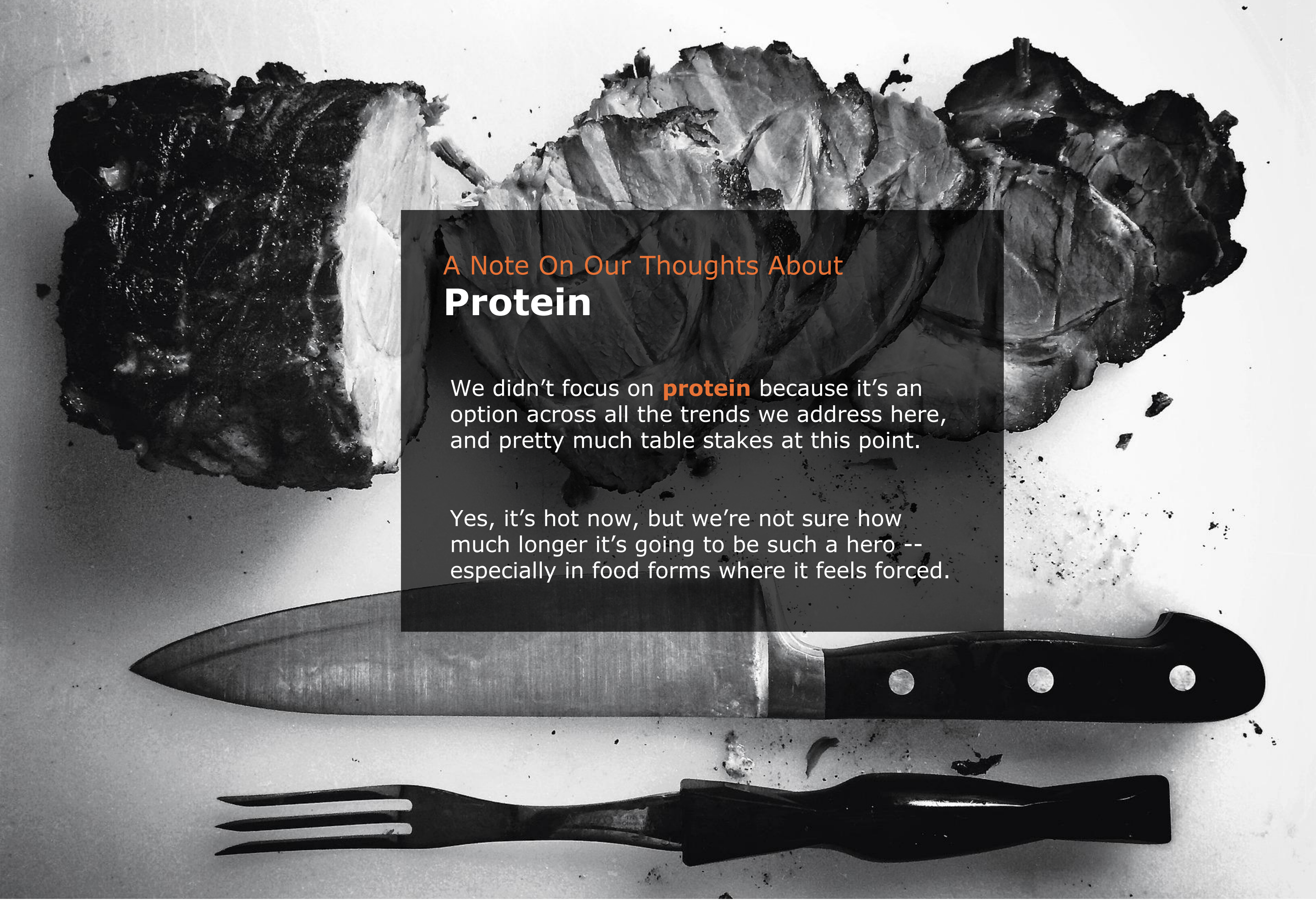
**Someone, Please:**

Hire us to tap into the bean brownie and bean cookie mix trend… with more convenient, ready-to-eat versions.







A Note On Our Thoughts About

# Protein

We didn't focus on **protein** because it's an option across all the trends we address here, and pretty much table stakes at this point.

Yes, it's hot now, but we're not sure how much longer it's going to be such a hero -- especially in food forms where it feels forced.

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SNACK TRENDS
# SUMMARY

1. Upcycling: Using Waste Products as Ingredients
2. Unusual Combinations of Sweet & Savory
3. Fermented & Cultured Snacks
4. Form Factor: Flats, Barks, Thins, Brittles
5. Vegetable Snacking
6. Complete, Complex, Multi-Textured
7. Breakfast Snacking
8. Soup Snacks
9. Beans & Legumes - especially Lentils/Chickpeas

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