



THE EVOLUTION OF SNACKING



PREPARED BY Food Distribution Guy

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How consumers snack continues to evolve, particularly as we retreat into our homes with government regulations, restrictions, and public health guidance continuing to limit our daily movement. Snacking has become a “lifeline” during the pandemic with 88% of adults saying they are snacking more or the same than they were before the pandemic, both as a substitute for a meal as well as a supplement in between meals.[i] The need for healthier snacking options can be seen as 43% of consumers say they would be willing to pay for products that offer generic health claims and 56% would be willing to pay a premium for zero-sugar products.[ii]

This report titled “The Evolution of Snacking” summarizes the research results of two studies undertaken during the pandemic:

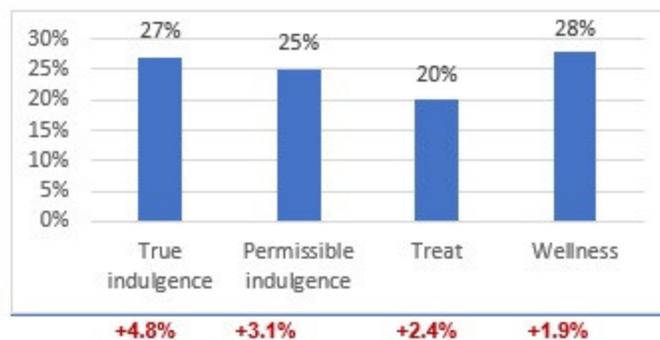
1. Snacking in 2020, Insights Report – Cargill, March 2021
2. How America Snacks, Hartman Group, March 2021

Global Snack Markets

The global snack food segment is estimated at \$547B with the category break down as follows:

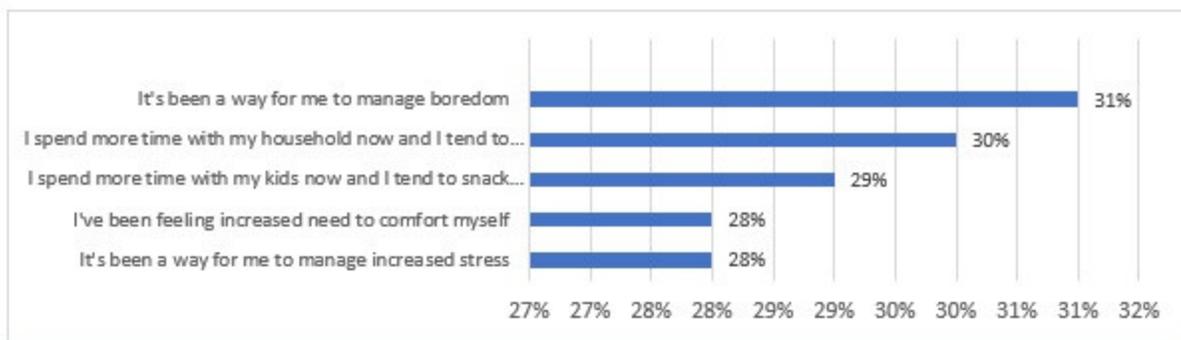
1. Confectionery- \$187B
2. Savory snacks - \$176B. (+8% YOY growth)
3. Cookies, snack bars & fruit snacks - \$103B. (+5.9% YOY growth)
4. Ice cream & frozen desserts - \$82B

Snacking Segment Growth (percent market share)



Segment Growth

The top 5 reasons why consumers have increased their snacking from a year ago:



Snacking Culture

- 70% of consumers in 2020 had a snack on an average day.
- 72% of consumers pass up meals completely on an average day and instead opt to snack all day.
- 48% of all food and beverage occasions are snacking occasions.
- There are 5-day parts for snacking:
 1. Early morning snack – 19%
 2. Mid-morning snack – 22%
 3. Afternoon snack – 38%
 4. After dinner snack – 32%
 5. Late night snack – 19%
- Young consumers are key drivers of snacking growth:
 1. Eat Snacks in place of meals:
 - Ages 18-24 – 58%
 - Ages 25-34 – 52%
 - Ages 35-44 – 53%
 - Ages 45-54 – 42%
 2. Snackers' Seeking Convenience:
 - Ages 18-24 – 61%
 - Ages 25-34 – 63%
 - Ages 35-44 – 60%
 - Ages 45-54 – 52%

3. Snacks Replace Meals While on the Go:

- Ages 18-24 – 57%
 - Ages 25-34 – 63%
 - Ages 35-44 – 54%
 - Ages 45-54 – 47%
- The four snacking drivers capture how snacking motivations shift according to the occasion and individual:
 1. Nourishment: 54% of snacking reflects some need for nourishment.
 2. Optimization: 33% of all snacking reflects some need for optimization: ie. Quick energy, mental focus, anxiety and, stress management.
 3. Pleasure: 51% of all snacking reflects some need for pleasure.
 4. Distraction: 40% of all snacking reflects some need for distraction.

Snacking Trends

Though millennials may be the snackers, older consumers seek convenience foods that help them stay healthy, and maintain active life styles. Children represent another growing snack opportunity, as parents adapt to hectic schedules. Prebiotics and fiber are merely the beginning as innovative new snacks continue to break ground with emerging ingredients such as probiotics and superfoods like pumpkin, flaxseed, and kale. Although the landscape for snacking saw significant changes in the way people consumed snacks in 2020, the same attitudes that have propelled snacking will continue to shape the overall category. Following is an overview of snack food trends.

1. Natural Nutrition

Nutrition is uppermost in consumer minds. The trend is also progressing beyond healthful, natural ingredients to those that provide added function with benefits like wellness, digestive health and, immune support growing in relevance.

- 54% of consumers want snacks that contain vitamins and minerals:
 - Ages 18-24 – 56%
 - Ages 25-34 – 60%
 - Ages 35-44 – 63%
 - Ages 45-54 – 54%

- 38% of consumers want snacks to contain probiotics to help with digestion:
 - Ages 18-24 – 37%
 - Ages 25-34 – 45%
 - Ages 35-44 – 47%

2. Provide new snacking occasions

Nutrition is uppermost in consumer minds. The trend is also progressing beyond healthful, natural ingredients to those that provide added function with benefits like wellness, digestive health and, immune support growing in relevance.

- Close to 1/3 consumers say they do not eat breakfast or dinner every day.
- 22% say they do not always eat dinner.

3. Create Experiences

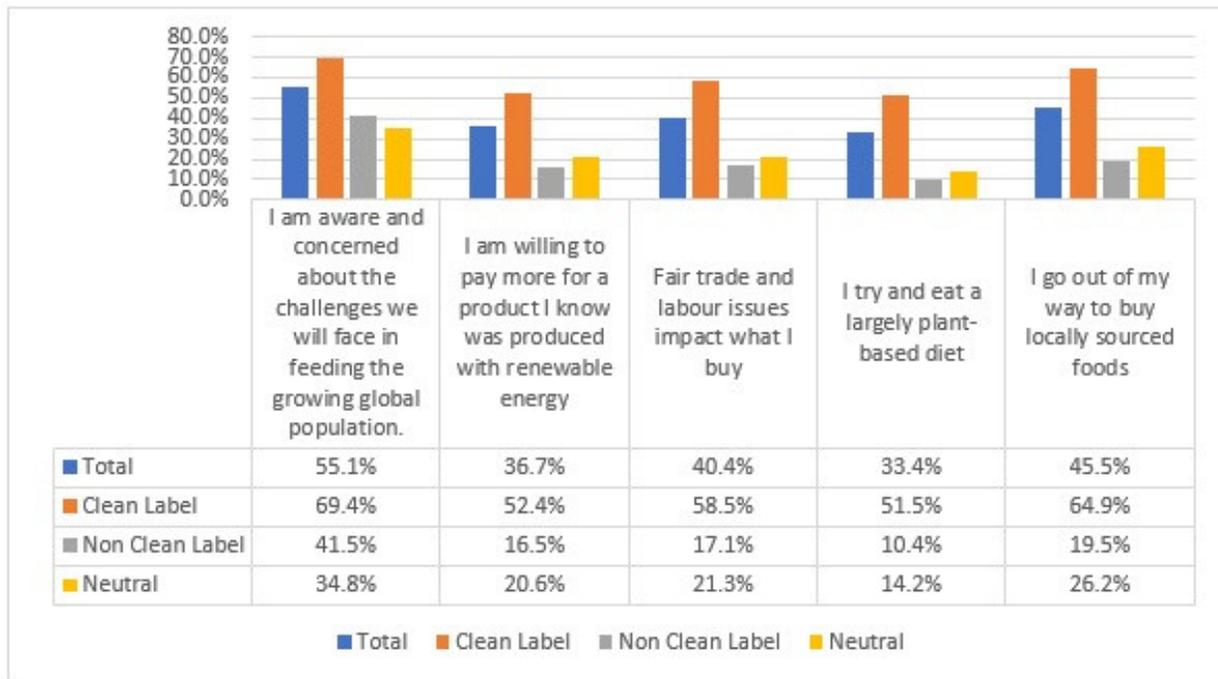
Consumers continue to crave new experiences from food. The demand for something different:

- 72% say they have become more experimental with their choice of food and drink in the last five years.
- 57% of consumers like products with new and unusual flavours.
- 46% say they like moments of indulgence where they don't pay attention to nutritional intake.
- 42% deem themselves adventurous when trying new food and drink.

4. Tell a Good Story

Consumers have been progressively digging deeper into the mission behind the brands they buy, looking beyond the ingredients themselves into where they were sourced and how they are processed. Snack brands have an opportunity to highlight these specifics with a good story that will attract many consumers. For example, nearly two in three global consumers are interested in “clean” eating. What's more, these shoppers are typically more engaged in supporting products that are healthy, sustainable and, transparent. So, there is a spectrum of topics that will resonate for shoppers, from explaining renewable energy usage to highlighting measures that support the community.

Engagement of Label Friendly Shoppers



Summary

The key to success is for brands to deepen their connections with their consumers, especially in the post-COVID world. That means understanding who their customer is and telling them what their brand is all about without a strong sell.

References

- (i) Consumers Say Snacking is a “Lifetime” During Pandemic, www.fooddive.com, November 2020
- (ii) How do Canadian Consumers Snack? www.candyindustry.com, March 2020

FOOD DISTRIBUTION GUY PROFILE

Food Distribution Guy provides industry expertise and creative strategies for emerging and established food businesses that assist them in breaking through the competitive landscape and “Getting and Staying” listed in the grocery and health store sector. Our role is to help ensure your success is sustainable in the long-term & to assist you in obtaining the distribution of your products through the appropriate channels (traditional grocery, health stores, mass merchandiser, club, general merchandise, C-stores) available for retailing your product.



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