PREPARED BY:
Richard Baker,
Food Distribution Guy
Published: May 2024

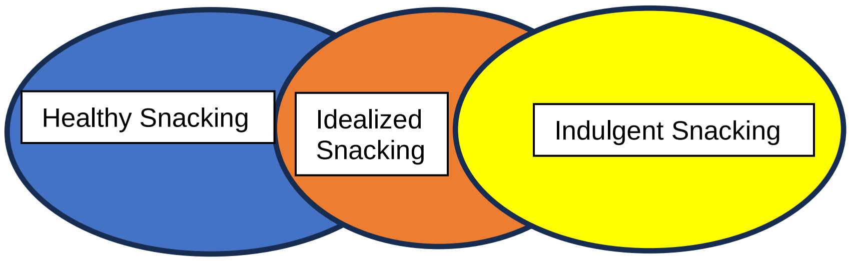
FUTURE OF SNACKING 2024

Since the pandemic, snacking has become an integral part of consumers' routines. Today, 50% of all eating occasions is snacking.[1] Food inflation has had a dramatic impact on consumers' shopping habits. Though 66% of consumers are more conscious of snack prices, they have not made a significant change to their snacking habits.[2]

This report summarizes The Hartman's Study titled: "*Future of Snacking 2024".*

OVERVIEW

- Consumers seek products that promise satisfaction, and mindful eating, helping to reduce guilt. Each emotion as outlined below helps shape the consumer's decision journey.



- Consumers seek to eat more healthy snacks. Fresh fruits and vegetables rank as the # 1 snack type. *Please refer to Appendix 1*
- The prominence of the occasion has created a new vocabulary to describe this non-meal occasion. 3.8 terms are used to describe this type of eating occasion: vs. 2.6 in 2020.
    - Snack: 76%
    - Treat: 38%
    - Coffee break: 35%
    - Dessert: 32%
    - Bite to eat: 26%.
- Traditional snack foods have made their way into meals. Younger consumers are more likely to replace meals with snacks, especially breakfast and lunch. 76% of meals have been replaced by snacking, with lunch representing the top meal replaced. *Please refer to Appendix 2.*
- Convenience plays a major role in snack selection. *Please refer to Appendix 3.*

MODERN SNACKING FRAMEWORK

- The modern snacking framework helps to understand both the needs and benefits consumers seek when snacking*. Please refer to Appendix 4*

SNACKING CONSIDERATIONS AND CATEGORIES

- Consumers bring multiple, competing needs into their snacking choices. They include price, sustainability, quality, convenience, and taste, flavour and texture. *Please refer to Appendix 5.*
- Consumers' go to snacks include a wide variety of foods and beverages, including but not limited to fresh fruit, chips, cookies, cheese, ice cream, granola bars, and dairy or dairy alternatives.

[1] Eating and Drinking Occasions Landscape 2023, The Hartman Group, 2024
[2] Mondelez: Consumers Crave Snacks Instead of Meals, www.foodbusinessnews.com, March 2024

DISCOVERY AND SOURCING OF SNACKS

- The top 7 ways consumers commonly find new snacks:
    1. Physical food stores: 57%.
    2. Friends and family: 51%.
    3. Online ads: 26%
    4. Sampling: 21%
    5. YouTube: 21%.
    6. Instagram: 21%
    7. Facebook: 19%
- Gen Z and Millennials over index by way of online ads, YouTube, Instagram, and Facebook.
- 53% of consumers go out of their way to find new snacks. 64% for Millennials, and 67% among parents.

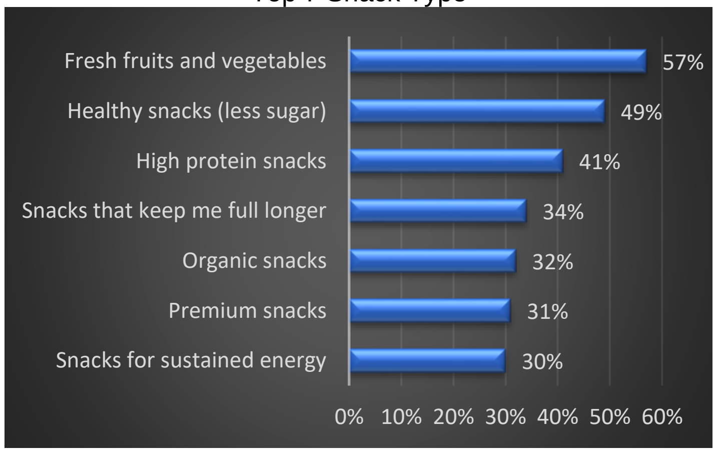
FOOD DISTRIBUTION GUY'S 3 BRAND STRATEGIES – SALES PERSPECTIVE

1. Fifty percent (50%) of all eating occasions is snacking. The younger generation is more prone to replacing a meal with a snack. "*Brands must position their offering as a snack / meal / or a combination of both".*
2. Consumers have 4 distinct needs and benefits they seek when snacking. *"Brands must distinguish and emphasize the needs and benefits their product offers".*
3. The majority of consumers seek out new snacks. Physical food stores represent the number 1-way consumers identify new snacks. *"New brand entrants must employ different marketing vehicles (i.e.: display shipper, shelf talkers) to introduce consumers to their offering.*

APPENDICES

Appendix 1

Top 7 Snack Type

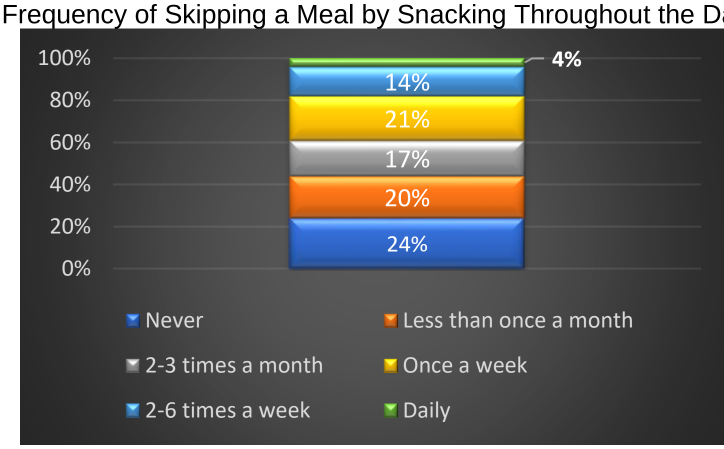


Consumption Level on Weekly Basis

Fruit &Veg	Healthy Snack	Protein Snack	Keep Me Full	Organic	Premium	Sust Energy
75%	67%	63%	69%	40%	62%	62%

Appendix 2

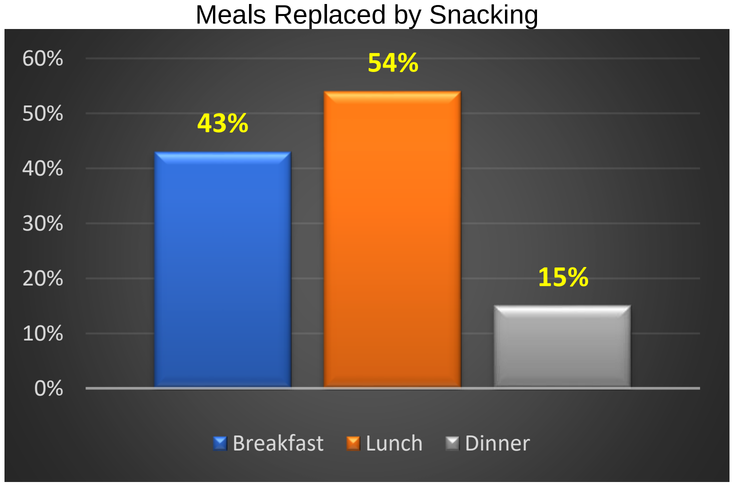
Frequency of Skipping a Meal by Snacking Throughout the Day



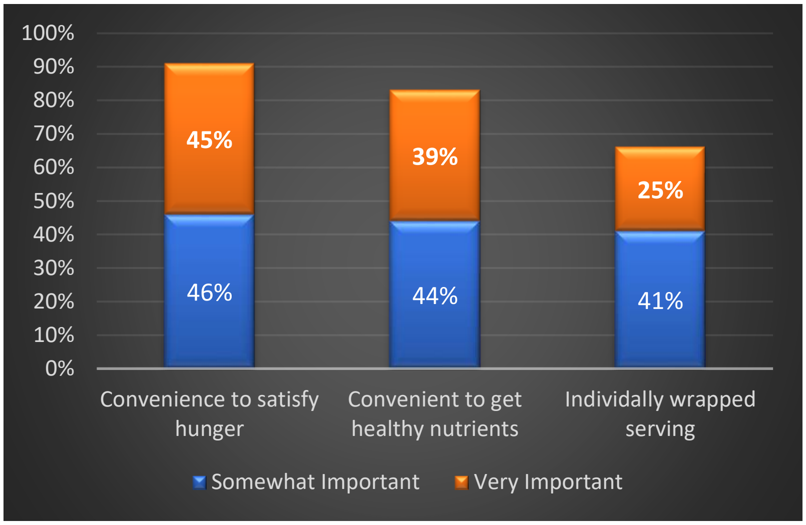
Over Indexing (>120) by Age Group

Daily	2-6x a week	Once a week	2-3 x a month	< Once a month	Never
Gen Z / M	M	Gen Z	M	B	B

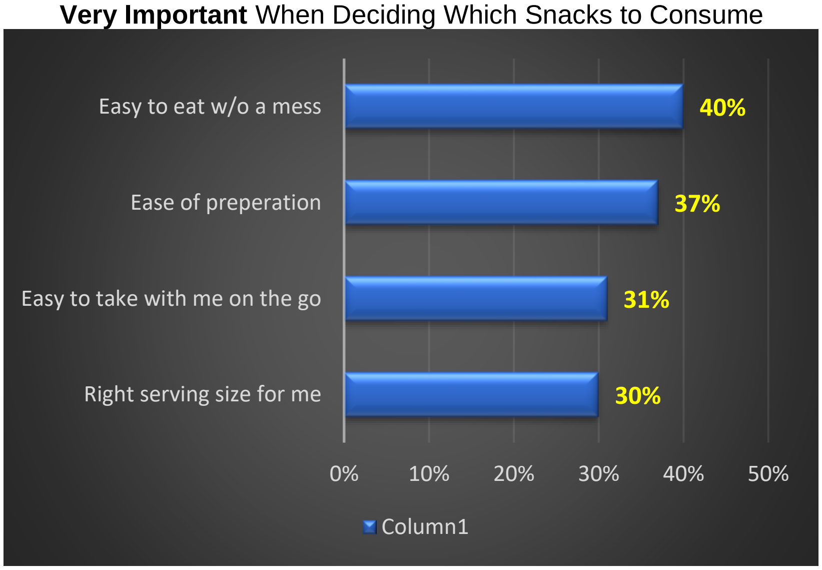
Meals Replaced by Snacking



Appendix 3
Purchase Criteria

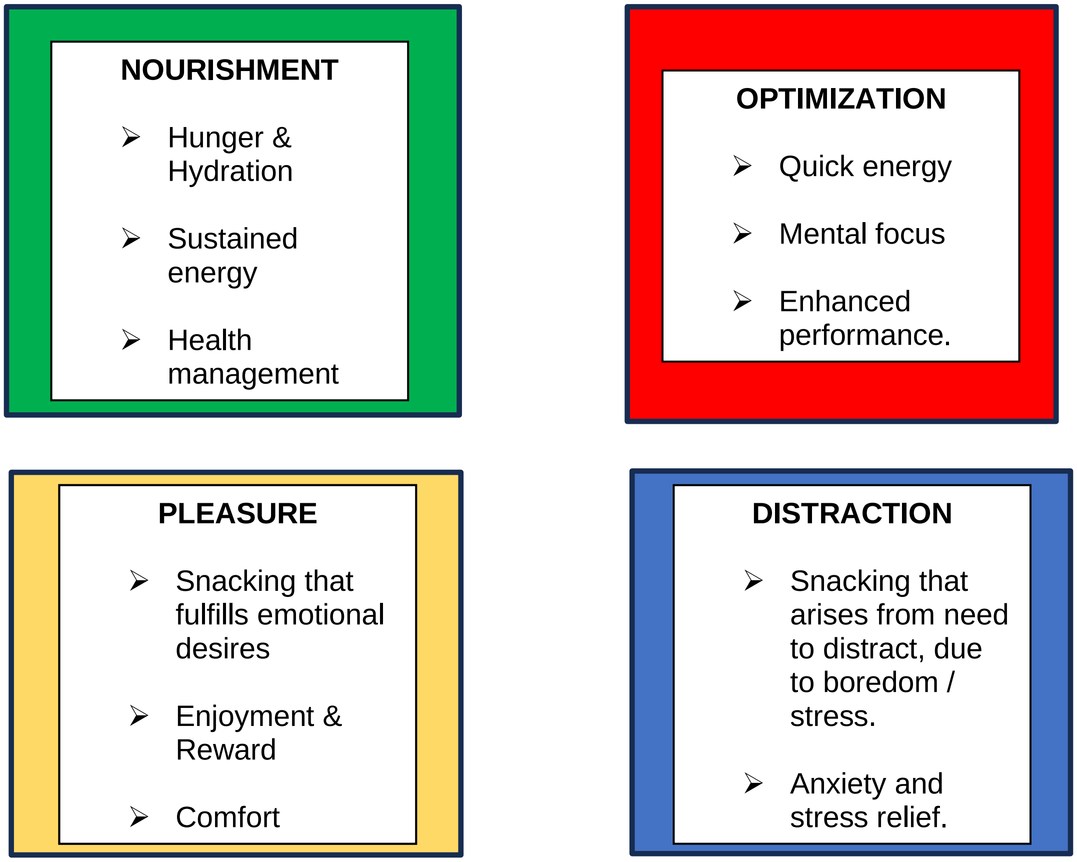


Very Important When Deciding Which Snacks to Consume



91% Look for something quick and convenient when they need a snack.
62% Will put in little to no effort when preparing a snack.

Appendix 4
Modern Snacking Framework



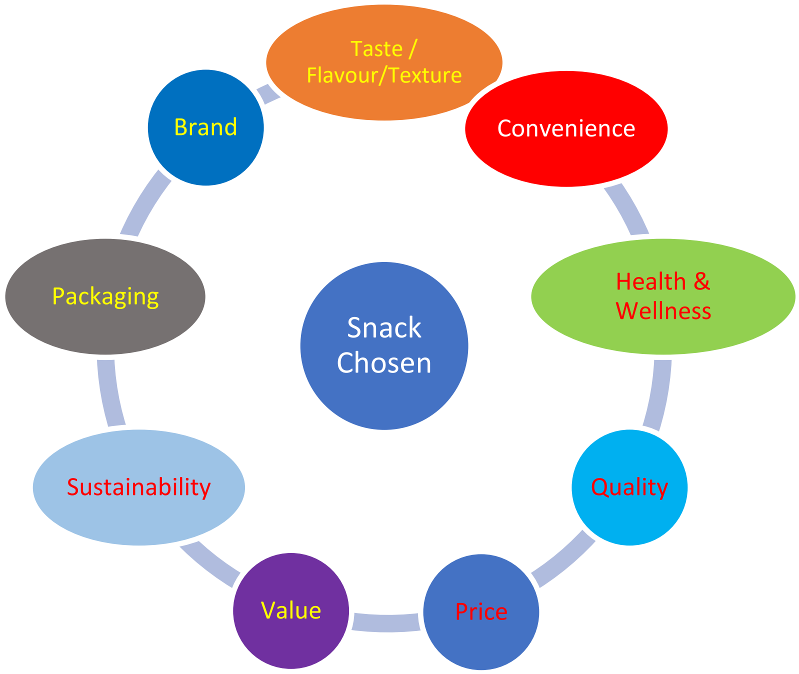
- There is considerable overlap among consumers' four snacking motivations.

Motivation Combinations

(% of snacking occasions)

1. Nourishment & Pleasure: 28%
2. Nourishment & Optimization: 24%
3. Optimization & Pleasure: 19%
4. Nourishment & Distraction: 15%
5. Pleasure & Distraction: 13%
6. Optimization & Distraction: 11%.
7. None of these motivations: 4%.

Appendix 5
Consumers Competing Needs for Snacks



RICHARD BAKER

Food Distribution Guy,

I am the President and Founder of Food Distribution Guy. Our mandate is to ensure our principles' success is sustainable long-term in the Canadian grocery sector.

Food Distribution Guy's Value Proposition for Our Client's Success:

1. Fifteen + (15+) years of branding, marketing, and sales expertise in Canada's grocery sector.
2. Our "4" Keys to Success:
    a. What is your brand's unique point of difference?
    b. What value does your brand bring to the category?
    c. Is your brand's suggested retail competitively priced?
    d. How will the brand support its launch to increase consumer awareness?
3. We align and manage our principal's sales (broker, and / or distributor), marketing (if required), and logistic solutions which allow our principals to manage their day-to-day business.
4. We keep our principals updated on the "Pulse" of the:
    1) Canadian grocery sector,
    2) Canadian consumers, and
    3) Their respective category.
5. We keep our clients abreast of the activities in the Canadian grocery sector for their top 3 competitors.

We understand the grocery landscape, and we will assist you in navigating through it. Your brand will receive the attention to detail it requires.

FOOD DISTRIBUTION GUY

Richard Baker

B: 416-768-7648

Email: richard@fooddistributionguy.com

www.Linkedin.com:richardecbaker

Website: www.fooddistributionguy.com