

20 16 CONSUMER INSIGHT REPORT



MILLENNIAL MOMS

It's no longer a rising trend. Millennials (adults 18 to 34) have officially replaced Generation X as the largest generation in the workforce, and nearly half of Millennial women are mothers. That makes them an essential consideration for food companies when it comes to strategy and innovations.

Pew Research Center analysis shows that one-in-three Americans in the workforce can be identified as Millennials — and nearly half are women – 71% of whom work outside the home. New data brings today's moms more into focus:

1. The overall influence of Millennials is quickly reaching the top
2. With many Millennial women reporting that they're both mothers and work outside the home, family needs are more than just nutrition and food quality. Convenience is a strong influence, too.

CONVENIENCE & NUTRITION

According to NDP, 67% of younger moms shop at places considered more convenient to their needs. Though online shopping plays a much heavier role with Millennials, so do well-organized, big-box retailers that offer a wide variety of items. With such a large number of Millennial moms working, this preference for big-box retailers can be attributed, at least in part, to the time it takes to shop one location over several. The more organized the retailer, the better, as moms' preferences are for stores where their needs can be quickly found and purchased.

Among these needs is an emphasis on healthier food options for the family. More than previous generations, Millennials tend to purchase greater volumes of organic and locally sourced foods. The problem, however, is that many of these healthier food choices, such as fruits and vegetables, can take a considerable amount of time to clean, cut, and prepare. Time is always a key factor in the busy lives of younger moms.

As reported by the PBH Foundation, 60% of moms spend 30 minutes or less preparing a meal. Of that 60%, many spend only 10 minutes preparing a meal. The PBH Foundation goes on to state that there is a definite need for healthier food choices that circumvent demanding meal-prep time, whether that means vegetables coming pre-cut or healthy meals that are already partially prepared. So long as it is quick, healthy, and flavorful, younger moms are less picky as to what form the conveniently prepared food arrives in.

Food companies that focus on these two factors, convenience and health, have found considerable opportunity with Millennial moms. As seen in the snacking industry, oats and vegetable snacks are on the rise as a conscious alternative

for families on the go. This is echoed in companies like Mann's, who have found success compartmentalizing pre-cut fruit and vegetables into small, travel-size containers with the Mann's Snacks on the Go line. Snacks on the Go typically features three different fresh fruit or veggie pairings with a light dressing or a dip, and its transparent packaging carries a colorful appeal that kids can appreciate, as well.

This isn't the only trend the snacking industry has found success with. For two-thirds of American households with children, parents reported replacing traditional meals with snacks (particularly frozen snacks). This has resonated in the breakfast cereal market as well, as more and more people turn to cereals as alternative "anytime" meals. According to a Mintel report, 87% of American consumers believe cereal can be eaten at any time of the day. Of that consumer base, 36% feel cereal could be made more portable.

One food manufacturer that leverages portability, convenience, and health for the family is Sprout Organic Foods. The company, which launched in 2008, offers quick, easy, and organic foods for adults and children. One popular product is Morning Multigrain Crunch Bites. This organic cereal combines healthy oats and grains with vegetable and fruit purees in small packets for anytime use.



Mann's Snacks on the Go



Sprout Crunch Bites

CONSUMERS WILL PAY MORE FOR HEALTHY OPTIONS

The use of oats, vegetables, and other healthy foods in snacks may raise the price above other convenient, yet less healthy, products. While this may give food manufacturers pause, Mintel reports that 74% “of parents with children in the household agree that higher-quality snacks are worth the extra cost.”

Sales in the frozen food industry reflect this concept, with a greater number of families purchasing frozen foods bearing claims perceived as healthy such as “organic” and “gluten-free.” The “better-for-you” brand Van’s Natural Foods, for example, has shown considerable market growth in the past few years with its frozen breakfast products. Van’s organic and gluten-free waffles have built a strong presence, providing a perceived healthier alternative in the waffle space, and the company keeps growing, offering 13 different products in the frozen waffle line alone. Products range from “Totally Original” gluten-free and organic to waffles containing popular healthy food items like flax seed, quinoa, and ancient grains.



Van's Organic Waffles



Van's Gluten-free Waffles



Mars' Goodnessknows Bars

MILLENNIAL MOMS & INDULGENCE

Though the Millennial focus is on quick, healthy food choices, moms still want to their families to enjoy the sweeter things in life, even if it means purchasing products believed to be less healthy. Roughly 85% of Millennial moms said that their kids were an influencer in their snack food purchases, and of this percentage, many admitted to purchasing treats they wouldn't ordinarily have purchased.

Sometimes, serving size is key to enticing Millennial moms to indulge. In an effort to meet moms halfway, the carbonated soft drink industry, has discovered that a decrease in value sales can be offset with smaller packaging. “Smaller packages are re-recruiting consumers of all demographics, particularly upper-income consumers and particularly moms, because moms want to treat their kids, but they don't want them to have too much. They want to be in control, and these packages put them in control,” says Sandy Douglas, Executive Vice President of Coca-Cola.

Mars has also tailored some of its products to meet the concerns of Millennial moms. Mars' goodnessknows snacks combine healthy nuts, fruit, roasted oats, and dark chocolate in bars that are segmented within their individual packaging. Each bar can be broken into four squares, all in an effort to allow consumers to control portion size.

PERSONAL IDENTITY INGRAINED IN CHOICES

Beyond food, nutrition, and convenience, identity and ethos are also important for Millennial moms. With better access to information than in previous generations, younger moms aren't just purchasing what's most affordable, they want to be able to make a well-researched, smart and conscious decision, too.

- According to the U.S. Census Bureau, almost 84% of all U.S. households have some form of computer.
- Millennial moms, more than any other generation of moms, are 78% more likely to consider social media important for showing support of their favorite brands.
- These younger moms are also 71% more likely to have blogged about their purchasing experiences and 28% more likely to have rated or reviewed products and services on social media.

The data tells us that Millennial moms aren't just seeking out and buying certain products, they're engaging their family and friends about the identity behind these products, too. They want to share their experiences and feel good about the choices they make. Health is important, but so is community and a sense of smart, independent decision making. And if a product can also promote a positive impact or worldly cause? Even better, as it makes Millennials more than eager to share their familiarity and fondness for products that enhance their identities.

This is the thinking behind the aforementioned Sprout Organic Foods, which has built its identity as a company focused on organic foods and "planet-friendly

packaging and practices." In 2008, Sprout Organic Foods launched solely as a producer of baby foods. Since then, the company has grown to make foods for all ages, so the tactic is clearly working.

COMMUNAL INFORMATION SHARING

Connecting with other Millennial moms and sharing reviews, tips, blogs, and personal experiences is a macro trend called "Momsourcing."



GETTING IT ALL — IN ONE

While combining all of these factors of convenience, health, and communal identity may be a difficult task, it's not impossible. Some companies work to cater to the all-in-one needs of Millennial moms, such as the frozen food company Lúvo, which has found a way to bridge a desire for quick and healthy meals with “people-, animal-, and planet-friendly practices,” as highlighted on Lúvo’s website. This ethos and brand identity has served Lúvo well, as the company continues to add new frozen meals to its already diverse listing of products. Frozen foods range from Indian and Thai offerings to Hispanic, Italian, and comfort foods, giving consumers a wide palate to choose from. Many of these offerings include super foods such as kale as well, as seen in Lúvo’s chicken & harissa chickpeas and turkey vegetable lasagna meals.

For moms, not only is the food easy to prepare and beneficial for their families, they can feel good sharing it with loved ones on social media. It’s the best of both worlds, combining convenience and health with identity and ethos.



Lúvo's Chicken Harissa & Chickpeas



Lúvo's Turkey Vegetable Lasagna

CONCLUSION

Millennial moms are a huge segment of the population, and they have the buying power to affect food companies’ flavor strategies, applications and packaging. With so many working mothers in the pool of Millennial moms, considerations should include on-the-go nutrition and a way to appeal to their personal branding — give them something to blog about. Indulgence often comes when kids are in the equation but common-sense serving sizes make Millennial moms more likely to pick up that less healthy option.



FUTURE OPPORTUNITIES

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.

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.

SOURCES

Mintel Reports

VansFoods.com

SproutOrganicFoods.com

(<http://www.pewresearch.org/fact-tank/2015/05/11/millennials-surpass-gens-as-the-largest-generation-in-u-s-labor-force/>)

(<http://www.businessinsider.com/retailers-are-clamoring-over-a-specific-kind-of-millennial-2016-3>).

(<https://www.npd.com/wps/portal/npd/us/news/tips-trends-takeaways/moms-rule-retail/>)

(http://pbhfoundation.org/pdfs/about/res/pbh_res/MomReport2014_WEB.pdf)

(<http://www.census.gov/history/pdf/2013computeruse.pdf>)

(<http://www.marketingcharts.com/online/millennial-moms-shopping-attitudes-39550/>)

(<http://www.forbes.com/sites/jefffromm/2015/10/01/brands-connecting-with-millennial-moms-capitalize-on-healthy-food-trends-convenience-and-community-2/#6c2b2f5b2bbc>)

(<http://luvoinc.com/our-story/our-philosophy/#vbwO0SKLUIHb9iWU.97>)



1900 Averill Road, Geneva, IL 60134
630.578.8600 | www.fona.com