



STANDING OUT IN SALTY SNACKS

The U.S. is, as Fortune magazine puts it, “a nation obsessed with snacking.” In this report we’ll zero in on salty snacks in particular – a category that grew in both dollars and units in the last year according to IRI. Consumer motivations and new product releases span the spectrum, but there are clear ways to set yourself apart. Let’s explore four unique trends in the category, with a focus on opportunities and innovation.

A GLANCE AT CONSUMER INTEREST & MOTIVATIONS

About 94% of adults are snackers, and snacks have the unique perception of being both a welcomed indulgence AND a way to eat healthier.

WHY?

50% for a treat	27% to eat on-the-go
37% a break	26% to eat healthier

GLOBAL MARKET

Snack launches around the world grew 47% between 2012 and 2017 with China, U.S. and India leading the way. China and India represent markets of growth for product developers with the nations' booming populations, rising disposable incomes, convenience-demanding lifestyles and the increase of Western influences in their daily lives.





TREND 1: ETHNIC FLAVORS

Consumers continue to explore exotic, global flavors at an unprecedented rate. In salty snacks, we see this in both snack bases and flavors. One example: hummus chips made from chickpeas as a change from potato chips, with Mediterranean flavors like basil and tomato, or Middle Eastern/African flavors like harissa and olive.

In the US, there are many snack products featuring Asian and Hispanic flavors. IRI data shows Asian flavors also trending globally in snacks: cardamom (+31% at .5 M\$ vs last year) Tikka Masala (up 53%), Matcha (up 50%) as well as Pistachio, Saffron and Tamarind.

In Europe, North African and Jamaican flavors like jerk chicken are popular. IRI data shows Latin American flavors are also seeing positive gains in snacks. Flavors include Avocado (up 34%), Plantain (up 17%), Guava (up 31%), Sour Orange, Paprika and Green Olive.



Products of Note



LIVING INTENTIONS ACTIVATED SUPERFOOD NUT BLEND THAI CURRY FLAVORED SUPERFOOD NUT BLEND

contains raw cashews, sprouted almonds, crunchy coconut chips, tangy lemon, Thai spices and a hint of lemongrass, and live probiotics including one billion CFUs of friendly probiotic cultures in each bag to support immune health. The organic product is described as food at its highest potential. Is bio-available and minimally processed. **U.S. September 2017**



4700 BC GOURMET POPCORN SOUR CREAM & WASABI CHEESE POPCORN

is made the old fashioned way using the best global ingredients and flavors. The vegetarian product is ready to eat and is free from GMOs, gluten, cholesterol, MSG and trans fats. **India November 2017**



SATTVIKO PERI PERI FLAVORED FOXNUTS

claim to offer instant energy, calcium and fiber in a refreshing and mouthwatering flavor. This vegetarian product is free from gluten, cholesterol and trans fat, has been roasted and not fried, and is high in fiber. **India November 2017**



TREND 2: FUNCTIONAL / BETTER-FOR-YOU INGREDIENTS

There has been an evolution of snack ingredients toward more better-for-you elements such as chickpeas, lentils, beans, vegetables and ancient grains such as teff, millet, quinoa, and sorghum. “You have more people realizing that chia isn’t just for people practicing yoga, it’s for regular people,” says

Nick Giannuzzi, legal counsel to nearly 700 of the biggest food and beverage brands. But, with consumers snacking for pleasure over nutrition, Mintel points out that products based on alternative ingredients need to deliver on popular flavors seen in mainstream savory snacks (because taste rules!).



SORGHUM

One of the top five cereal grains globally, sorghum has been gaining in popularity as an ingredient in salty snacks over the past two years. It offers a gluten-free grain alternative for snacks like pretzels and can be popped like popcorn. In the US, sorghum has been seen most often in bars, bread, cereal and snacks. In China, top categories are dressings, biscuits, meat products cereals and prepared meals. Sorghum snacks are not that common and could provide opportunity for product developers.

- Manufacturers are positioning sorghum as an artisanal product connected to the land, as illustrated in the marketing for Quinn's pretzels in the US. The product comes with the story of the fourth generation Kansas farmer who grew the sorghum and took it to market. It also explains that through their Farm to Family program, they know exactly which field each batch of grain comes from. This checks a lot of boxes for consumers: gluten-free, non-GMO, meet the maker, transparency, farm-to-table.



PROBIOTICS

With gut health a top wellness concern of consumers, we're seeing exceptional growth of probiotics in chips and pretzels (as well as other snacks like yogurt and smoothies), as consumers look to improve digestion.

- ▶ In retail we see products such as Farmhouse Culture Dill Pickle Kraut Krisps made with cabbage and enhanced with probiotics and Vegan Rob's Probiotic Cauliflower Puffs made with sorghum flour. Luke's Organic has also launched a probiotic snack: Probiotic Sprouted Grain and Seed Tortilla Chips are said to be gentle on the digestive system, "powered by Ganeden BC 30 Probiotic for digestive and immune health" and "the trifecta organic, sprouted and probiotic ingredients."



And for the DIY consumers, we spotted a recipe for sourdough pretzel bites with homemade probiotic mustard for dipping on the Nourishing Joy website. The sourdough starter contains probiotics and the mustard is made with Dijon, raw honey, apple cider vinegar and kombucha for a double dose of digestive health.



TURMERIC

Anyone following health and wellness enthusiasts on Instagram has certainly seen the recent increase in mentions of turmeric, as colorful photos of golden smoothies, lattes and cold pressed juices fill their feeds. We see this flavor in salty snacks like popcorn and nuts, as well as in chocolate confections and snack bars. Promoted as an anti-inflammatory, turmeric is often paired with ginger, lemon and curry flavors. Positioned as a superfood, turmeric checks the boxes of better-for-you, savory and ethnic, making it a spice with great potential for salty snack product developers.



Products of Note



POP I.Q. CHEDDAR FLAVORED AIR POPPED SORGHUM GRAIN is positioned as a sustainable superfood product said to be better than ordinary snacks and feature twice as much dietary fiber as regular potato chips, 20% less fat than common peanuts, twice the iron of ordinary popcorn and less sugar than most candy.
U.S. June 2016



LIVING INTENTIONS TANDOORI TURMERIC ACTIVATED SUPERFOOD POPCORN features freshly ground spices like coriander, cumin, chilies, turmeric, ashwagandha extract and 2 billion CFUs of probiotic cultures. Powered by Ganeden BC30 Probiotic. Also available in Salsa Verde flavor.
U.S. July 2017



RW GARCIA LENTIL AND TURMERIC TORTILLA CHIPS are a sustainable snack made with lentils and a delicious savory turmeric seasoning. They contain protein and all-natural ingredients, and are gluten and GMO free.
U.S. 2017



TREND 3: SWEET/HEAT & HOT/SPICY

- We see smoked and burnt flavors spinning off from BBQ in the snack category, as well as new ways to bring the heat like harissa. We also see BBQ flavors with added interest, like peach relish and smoke in Duke's Hickory Peach BBQ Smoked Shorty Sausages and regional ingredients as in Blank & Son's Texas Spirit Beef Jerky made from Texas beef and "the country's hottest peppers and black pepper to create a mild enjoyable burn." The jerky is marketed as "the great jerky of the Republic of Texas."



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33% OF GERMAN SNACKERS OVER 55 CONSIDER SAVORY OR SPICY FLAVORS LIKE WASABI OR CHILI TO BE AN IMPORTANT FACTOR WHEN BUYING SNACKS.

- BAKERY & SNACKS

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Products of Note



SOUTHERN RECIPE SMALL BATCH PINEAPPLE ANCHO CHILE FLAVORED PORK RINDS

are pork skins that have been hand selected, smoked, and fried in sunflower oil in small batches. They are gluten free, contains less than 1g total carb per serving, and contains no artificial colors. Also available in Spicy Dill and Korean Kimchi BBQ.

U.S. March 2017



BEAR WITH SALMON SCORCHED PEPPER WILD SALMON BITES

are made from wild caught Pacific salmon, sustainably harvested in the crystal-clear waters of the Pacific Northwest. The manufacturer claims to support direct investments and projects in coastal communities and environments.

U.S. October 2017



MARKS & SPENCER THE COLLECTION SPICE & SEASON BLOODY MARY FLAVOR HAND COOKED RED CRISPS

are made with Highland burgundy red British potatoes and seasoned with tomato Worcestershire sauce and vodka. The gluten-free product is suitable for vegetarians and vegans.

Ireland November 2017



TREND 4: TRYING SOMETHING NEW

Snack companies are branching out from original recipes and launching line extensions that deliver interesting ingredients, flavors and textures to consumers looking for new experiences or alternative ingredients for health reasons. We see products such as popcorn chips, nut flour crackers and jerky made from non-meat sources on store shelves.

➤ KIND is a perfect example with the launch of a variety of line extensions that both build on the company's classic super grain bars (made with gluten free oats, millet, quinoa, amaranth and buckwheat) and innovate in new areas.

"At KIND, we believe you shouldn't have to make sacrifices when you look to snack," said KIND's EVP of marketing, Lisa Mann, upon the launch of the popped, coffee and peanut butter lines. These new varieties, she explains, deliver "indulgent tastes while maintaining our wholesome foundation of super grains."

1

Popped Bars

feature toasty, popped sorghum combined with supergrains, sweet and salty flavors for "wholesome delivery of indulgent popcorn flavors."

2

Super Grain Bars Made With Coffee

add rich coffee for an indulgent, chewy, crunchy snack.

3

Peanut Butter Berry Bars

combine peanut butter with sweet raspberries and cranberries with super grains.

4

Breakfast Bars

packed with supergrains for eating on-the-go with flavors like Dark Chocolate Cocoa Protein.

5

Popped Snack Bites

combining granola and popcorn in small snack pouches, available in flavors such as Salted Caramel and Dark Chocolate & Sea Salt.

6

Pressed Fruit Bars

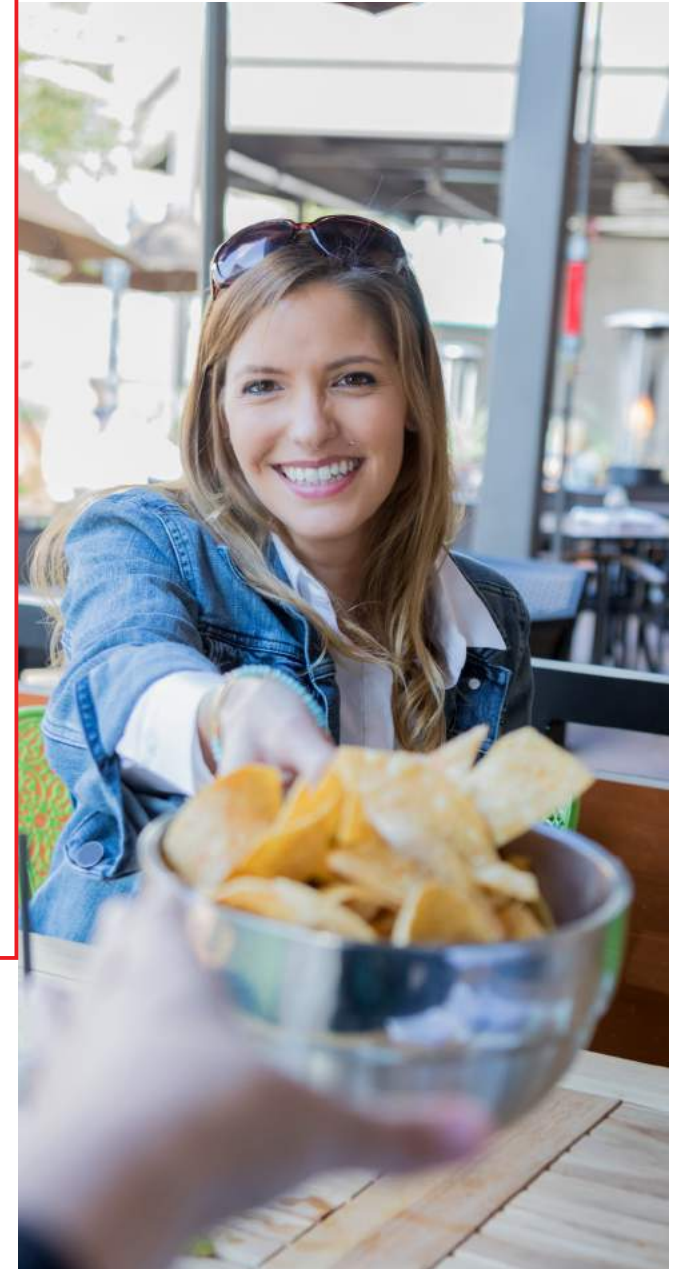
made from only fruit and veggies, providing two full servings of fruit in flavors like Apricot Pear Carrot Beet.



TASTE IS KING

If there's one constant in the salty snack category, it's the importance of taste. While consumer concerns about diet and wellness are real, they still put flavor before health when it comes to choosing salty snacks.

Mintel's Marcia Mogelonsky sees this back and forth providing room for both healthy and unhealthy snacks in product development: "Everybody wants a health snack - sometimes; but most of the time, they want unhealthy snacks," she told Bakery and Snacks. "People are constantly justifying their urge to eat bad snacks and validating their idea to eat good ones."



THE TAKEAWAYS

Salty snacks are a unique area of growth and innovation. And it's no wonder – the motivations and options span the spectrum. Looking to indulge without the “big baddie” of added sugar? Grab a snack. Looking for a filling yet nutritious option? Grab a snack. But with such an innovative and crowded field, you're likely looking for ways to stand out. First, prioritize taste. Salty snack products that taste the best will win.



Another suggestion? Focus on the new and different. Other than the continual fan favorites, what worked in the past may be destined to fail today. Consumers are showing a keen interest in ethnic flavors,

sweet heat, out-of-the-ordinary ingredients. They're not afraid of trying something new as long as it tastes good and meets their motivation.

YOU DESERVE MORE. LET'S GET STARTED.

What does true partnership look like? You deserve a flavor partner ready to turn these trends into the tangible.

Let FONA's market insight and research experts get to work for you. Translate these trends into bold new ideas for your brand. Increase market share and get to your “what's next.” Our technical 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. Let's 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 for you – every step of the way. Contact our sales service department at 630.578.8600 to request a flavor sample or chat us up at www.fona.com/contact-fona/

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