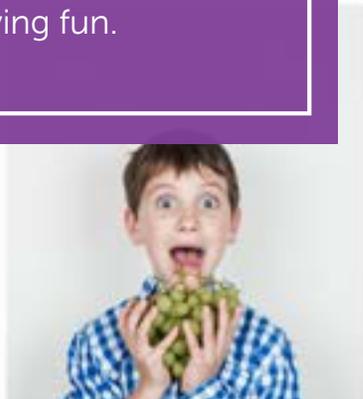
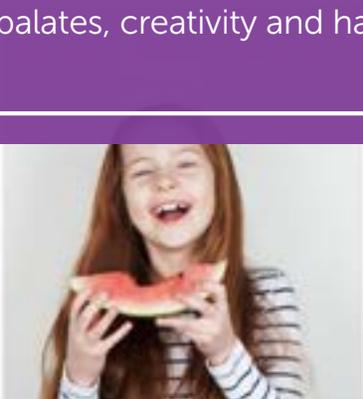
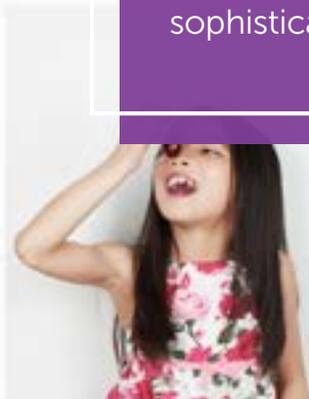




GENERATION Z

2018 • TREND INSIGHT REPORT

Born between 1996-2018, Generation Z is an extremely widespread generation with life-stages ranging from just born to just over the legal drinking age. Primarily the children of Millennials and Gen X, Generation Z is a population of 86.4 million and has a purchasing influence of \$86.4 Billion—and they are definitely a force to be reckoned with. Although they may be different on many fronts, there are several areas that they have in common, including: growing up in an age of technology, sophisticated palates, creativity and having fun.



STARTING WITH THE PARENTS

A look at Gen Z has to include a look at the parents raising them. To so many, parenting is considered an amazing adventure. Raising a little one (or big one) is a big task and as parents today are faced with new challenges. And while there are many descriptive terms for parents (i.e. helicopter parents, free-range parents, etc.) many are just trying to do their best with the resources they have. Consider what they face in your product development. Whether getting their kids to eat healthy, be a star soccer player or even just mind their manners, parents have a tough job!



Millennials dominate parenthood today: 60% of American parents were born 1995-1978, according to Iconoculture. While Millennials are waiting later in life to have children, the majority of parents with kids under 18 are Millennials. Parentials (Millennial Parents) are changing the parenting game with a fresh new perspective including their expanded palates, brand loyalty and savvy social media skills. Keeping their kids involved is important to Millennials. Gen Z does have more influence in family decision-making than previous generations, thanks to a move towards collaborative family decision-making.



COLLABORATIVE FAMILY DECISIONS IMPACTING THE PANTRY

- **81%** of parents say choosing **snacks** is a collaborative family decision
- **79%** of parents say choosing **lunch foods** is a collaborative family decision
- **77%** of parents say choosing **breakfast foods** is a collaborative family decision

BETTER EATING HABITS

With consumers' nearly universal shift towards a health mindset, it's no surprise that a makeover to school lunches was necessary. The "mystery" meat of school lunchroom cafeterias is taking a backseat to whole grains, fruits and vegetables as well as low-fat proteins, dairy and set limits of sugar, fat and sodium. While this program is still in its infancy, the younger children are more adaptable to the changes since to some extent they do not know the difference, while older children were less than thrilled with the new options.

One Chicago-based company called Wise Apple is helping busy parents by preparing, packing and delivering their child's school lunch. Each meal includes a main, fruit, veggies and sweet treat, inspired by kid's favorite recipes. Options include: mac 'n cheese, turkey slices with cheese, pizza, turkey meatballs, chicken tacos and Sunbutter jelly sandwiches.



Wise Apple's Box Lunch with Turkey Slices & Cheese

KEY STATS: KIDS 6-17 YEAR OLDS

- 61% like junk food as a treat.
- 53% believe that juice is better for me than soda/pop.
- 36% say that they eat mostly healthy food.

SOURCE: MINTEL

FOOD SHARING TABLE

Taking lunchbox trading to a whole new level with the communal table. Share tables are allowing kids to place unwanted items on the table and take a new item that better suits their needs at the moment. You are also able to take from the table without leaving an item which can reduce child hunger by giving access to food they might not have had before.



FOOD AS NOURISHMENT

Eating healthy is top of mind for most consumers, but finding foods that are healthy and that children will eat can often be a challenge. Limiting grams of sugar, increasing servings of fruit and vegetables and serving a balanced diet is top of mind for parents, but is often easier said than done. With busy, on-the-go lifestyles, parents are looking for easy ways to incorporate healthy items that taste good into their children's diets. We are spotting new products targeting children that are including ingredients like whole milk, whole grains, probiotics, and fruits & vegetables.

Top claims for kid's food & beverage products in North America include:

1. Low/No/Reduced Allergen
2. Ethical-Environmentally Friendly Packaging
3. No Additives/Preservatives
4. Gluten-Free
5. GMO-Free

SOURCE: MINTEL GNPD



DR. PRAEGER'S PURELY SENSIBLE FOODS KIDS SWEET POTATO LITTLES: Described as a sweet and savory snack that is perfect for kids and adults. This kosher certified product is free from GMO and gluten, and is microwaveable.

CONSUMER QUOTE: "It is an excellent product to eat and enjoy as family, I love that it does not contain gluten and is a healthy product." Male, South, 18-34

"It's a healthy replacement in disguise!" Female, Midwest, 18-34

SOURCE: MINTEL PURCHASE INTELLIGENCE



STONYFIELD ORGANIC STRAWBERRY BEET BERRY WHOLE MILK YOGURT: Contains 35% less sugar than leading kid's yogurt. This USDA Organic and Non-GMO Project verified product has vitamin D added, contains no toxic persistent pesticides, includes live active cultures and is made from cows which are pasture-raised.

CONSUMER QUOTE: "I might buy this when I am with my grandkids, but wouldn't get it for myself." Female, Midwest, 55+

FUN FLAVORS

There's always room for fun and games, especially in the food and beverages we eat. Flavor is a great way to provide new taste experiences and offer excitement in new products. We are spotting four key themes in new product introductions that are calling all kids, no matter the age.

1 CHURRO

Moving beyond the traditional carnival treat, churro is being spotted in new categories. From chewing gum, beef jerky, marshmallows and even pudding—churro is a flavor to keep your eye on. This churro flavored Snack Pack Pudding brings the taste of the carnival to your child's lunch box.



2 SOUR

A longtime flavor favorite for kids, the trend seems to be the more sour, the better. Traditionally a tried and true confectionary flavor, sour is moving its way into beverage drink mixes, ice cream and even yogurt with Gogurt's Sour Patch Kids Flavored Yogurt. Pucker-up, this trend is here to stay!



3 PANCAKES

Pancakes have always been a breakfast staple, but we are now seeing them move beyond the traditional buttermilk flapjacks and into new product categories. From jelly beans, ice cream, breakfast cereals and even pancakes & syrup flavored peeps—this flavor trend should always be topped with lots of butter and maple syrup.



4 UNICORNS

Just like pumpkin spice, the unicorn trend isn't going anywhere! From the Starbuck's Frappuccino, protein butter spreads, chocolate barks, gummy candy and even breakfast cereals—this magical trend is one to delight most young girls. Flavor inspiration may include: mixed berry, strawberries & cream and birthday cake.



CONCLUSION

Despite its youth, Gen Z is already making an impact and their sheer size alone means they will wield a great deal of power as they grow up. As they age and their numbers grow, their interests and expectations will only become of even greater importance. Better to be the brand to connect early and establish trust for when this generation begins earning even more money and making even more purchases. Show you understand and respect their needs and discover where you can grow together!

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/



Need more?

Reach out to Pamela, your consumer trend expert!

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SOURCES

Mintel GNPD

Mintel Reports

Mintel Purchase Intelligence

Iconoculture

National Restaurant Association

QSR Magazine

Very Well Family

Natural Products Insider