



SNACKING

A Question of Mindset

2019 • TREND INSIGHT REPORT

In part one of our two-part snacking series, we're talking about consumer mindset and drivers. Snacking may seem (and may have been in the past) a mindless act, driven by cravings and convenience. As eating habits and preferences have become more fragmented, however, what and how consumers snack has become more mindful. Indeed, today's snacking isn't just noshing a handful of chips while watching television or quickly picking from a vending machine. Consumers choose snacks that fit their frame of mind, lifestyle, time constraints, values and their distinct, increasingly discerning flavor preferences. Let's dive in to the world of snacking and explore how it has become more purposeful and personal - and what that means for your products.

MASTERING THE BALANCING ACT?

Our research shows that snacking is connected to health & wellness goals — and the need for times of indulgence. It's not that people are speaking out of both sides of their mouth when it comes to snacking. They aren't saying one thing and doing another. Rather, consumers are keenly aware that their choice of snack depends on their priorities at the moment: their snack selection could be driven by health and well-being at one point of the day and pure indulgence at another point of the day. And that's okay.

Studies have affirmed that snacking mindsets are far from fixed and snacks are chosen based on intention: whether that particular snack will feed the brain, the heart, muscles or stomach. As snacking becomes more purposeful, consumers are also planning more of their snack occasions, especially snacks geared toward functionality, improved performance, focus, nutrition and strength.

Timing may be everything when it comes to snacks. For most consumers, the time of day or day of the week plays a major part in the shift from one snacking mindset to another.



SNACKING BY A LANDSLIDE:

Only 4% of consumers say they don't eat snacks

Source: Gartner/Iconoculture

A WORLD OF FLAVOR

Whether spurred by a desire for a performance-boosting effect or for emotional comfort, taste often makes or breaks a snacking decision.



HAVE FLAVOR PREFERENCE



DESIRE EXOTIC FLAVORS

An overwhelming majority - 91% - of consumers want a flavor they prefer when snacking, and that sentiment in a recent poll was up three percentage points from the previous year. More than a third (34%) say they want exotic flavors.



Those exotic flavors can come from all over the world, but some regions are emerging as flavor hotspots, including the Pacific Rim, Middle East and Africa. Spices and ingredients from these areas, ranging from dragonfruit to dukkah to biltong to barberries, will become more familiar with diners and grocery shoppers in the coming months and years.

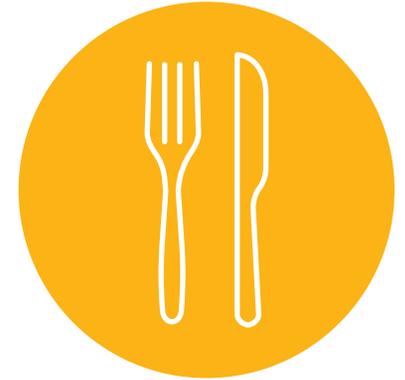
Reflecting the increasingly splintered general marketplace there is also fragmentation within flavor preferences. For instance, it's not just chocolate anymore, but mocha, chocolate-caramel, chocolate-hazelnut or vanilla Dutch chocolate, to name some chocolate flavor profiles.

MINI MEALS VS. IN-BETWEEN MEALS

There's been a lot of talk about consumers as grazers and the demise of three-squares-a-day. *Are the reports of the death of mealtime in lieu of snacks greatly exaggerated?*

On one hand, research confirms the grazing nature of today's consumers, with terms like **"snackifaction"** and **"macrosnacking"** now part of the lexicon. Even within macrosnacking (consuming mini meals at non-traditional meal dayparts), there is a purpose, with macrosnacks selected for wellness or indulgence reasons, depending on the mindset.

On the other hand, many snacks are still largely consumed as a bridge between dayparts. In a recent survey, **more than half (52%) of people** say that their choice is snack is based on something that keeps them full into their next meal.



SETTING A SNACK TABLE



Perhaps snacks aren't just mini meals, but actual meals. The social media platform Pinterest predicts the trend of **"family-style grazing tables"** in 2019: "From cheese and charcuterie boards to new shareable sides and entrees, these grazing tables are meant to bring community in prep and dining."

In their own words: *Consumers on Snacking*

"Workdays, I plan. At night, it's usually spontaneous."

-Don, GenX, Ohio

"I usually do planned snacks on Monday to Friday more on a schedule, with less of a schedule on the weekends."

-Donna, Baby Boomer, Ohio

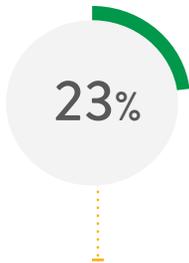
Source: Gartner/Iconoculture

PRODUCTS OF NOTE:

THIS BAR SAVES LIVES



Non-GMO, gluten-free snack bars
Company co-founder is actress Kristen Bell and with each bar purchased, "life-saving nutrition" is donated to a child in need.

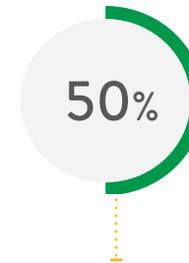


23% of consumers polled said they'd possibly buy this product, **SIGNIFICANTLY UNDERPERFORMING** against subcategory.

REESE'S MINI SNACK ICE CREAM BARS



Peanut Butter Light Ice Cream in Milk Chocolate Flavored Coating
"Snack Size is the Right Size"
Half the size of regular Klondike bars, said to be a quick bite that's "just right"
Kosher; Low/No/Reduce Calorie & Fat



50% of consumers polled said they'd possibly buy this product, **OVERPERFORMING** against subcategory.

PRODUCTS OF NOTE:

SKINNY POP PROTEIN: RANCH



Source: Skinnypop.com

New addition to Skinny Pop line of popcorn

Described as “guilt-free snacking with 5 grams of grass-fed protein”

Package claims: no artificial ingredients, non-GMO, gluten-free, peanut-free, tree nut-free, preservative free, zero trans fat, good source of fiber

Skinny Pop Protein also available in Cheddar & Cracked Pepper flavor

QUAKER MORNING GO-KIT:

Quaker Blueberry Nut Breakfast Flats, Blueberry Greek Yogurt and Walnut Peach Apple Trail Mix

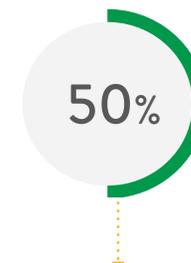


Fits into mini-meal/macrosnack segment

Kit contains 18 whole grains, real fruit and nuts for 15 grams of protein

Described as “good source of fiber and calcium”, with no artificial flavors, sweeteners or colors from artificial sources

Two other varieties currently available, including Quaker Banana Honey Nut Breakfast Flats, Vanilla Greek Yogurt, Raisin Nut and Seed Trail Mix; and Quaker Cranberry Almond Breakfast Flats, Strawberry Greek Yogurt and Berry Almond Trail Mix



50% of consumers polled said they'd possibly buy this product, **OVERPERFORMING** against subcategory.

SNACKS, ELEVATED



As the definition of snacking has broadened and often blurred, snacks are becoming more diverse and, in many cases, upgraded with premium flavors, formats and packaging. In its recent forecast on 2019 food trends, Whole Foods pointed out that snacks are getting an “upgrade,” citing examples like charcuterie and cheese boards.

Many lifestyle-driven snacks have a premium appeal. There has been strong growth in plant-based snacks and paleo friendly snacks in the past year, for instance, with distinct packaging and often higher-end price points. Meat snacks, which emerged as a snacktime darling in recent years, now encompass “faux meat snacks” made with plant-based

ingredients like meatless mushroom “bacon” and mushroom “pork rinds.” Some unusual ingredients and flavors – among them, collagen -- are showing up in snacks that can be deemed upgraded. Caffeinated snacks, including gum, smoothie bowls and snack bars, are buzzworthy, too -- both literally and figuratively.

Also on the horizon for purposeful snacking: cannabis and hemp. As more states legalize marijuana for medicinal and recreational use, the market for cannabis edibles is expected to grow to \$4.1 billion by 2022. And while CBD oil isn’t currently approved by the U.S. government as a food ingredient, experts have weighed in that they expect 2019 to be a year when cannabis plant extract becomes a more common food and beverage ingredient in food products, including snacks.

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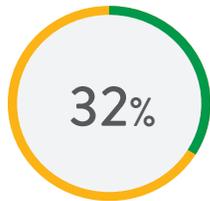
I think you’re going to see CBD in every product form, you know? Bread and crackers and candy and granola and beverages.”

- Jessica Lukas, Vice President of Consumer Insights at BDS Analytics, as told to Food Dive, Dec 2018.

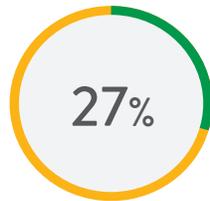
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YOUNG APPETITES, SOPHISTICATED MINDSETS

Millennials get a lot of attention from manufacturers and marketers. Right behind them, though, is a new and different kind of audience keen on snacking and with their own mindset: **GENERATION Z**, also known as iGen or Gen We. Keep an eye on their tastes, because this is a group of mindful snackers with certain behaviors that are not always aligned with their predecessors. Many members of Generation Z (born 1995-2015) look at snacks as fuel, but they seem to want premium fuel that helps get them where they want to go.



% OF TEENS WHO CHOOSE SNACKS THAT PROMOTE MENTAL FOCUS



% OF MILLENNIALS WHO CHOOSE SNACKS THAT PROMOTE MENTAL FOCUS



- ▶ GENERATION Z IS MORE CONCERNED WITH A FOOD'S PERFORMANCE-BOOSTING PROPERTIES THAN GOING TO HIGH-STATUS RESTAURANTS.
- ▶ YOUNGER CONSUMERS ARE MORE LIKELY TO CONSUME SNACKS AS MINI MEALS.
- ▶ LESS PROCESSED, MORE NATURAL PRODUCTS APPEAL TO YOUNGER CONSUMERS WHO ARE INTERESTED IN SNACK-SIZED MEALS.
- ▶ CONSUMERS IN THIS GROUP SEEK EXPERIENTIAL SNACKS WITH BROADER FLAVORS, TEXTURES AND INGREDIENTS, AS WELL AS SNACKS WITH A SUSTAINABILITY OR ORGANIC HALO; THESE ATTRIBUTES IMPACT SNACK CHOICES, ESPECIALLY PLANNED SNACK CHOICES



THE TAKEAWAYS

Consumers aren't snacking just to snack: there is a mindset behind the choice of a snack, whether it's for comfort, indulgence, performance, well-being, health, sustainability or another reason. Those mindsets can change, too, even within the same day. With such broad drivers of snacking behaviors, there is an accompanying expansion of what constitutes snacks, from mini meals dubbed "macrosnacks" to desserts as snacks to traditional salty and sweet snacks. Across the board and among demographics from adventurous young snackers to mature consumers, people are looking for new, interesting and personally relevant, lifestyle-driven flavors and ingredients. All of these converging trends open the door for a more dynamic, diverse snack market.

SOURCES

- Dataessential
- Food Dive
- Gartner Iconoculture Consumer Insights
- GNPD
- IRI
- KIND Snacks
- Lightspeed/Mintel
- Mintel
- The Nielsen Company
- Whole Foods
- <https://newsroom.pinterest.com/en/post/pinterest-100-the-top-trends-for-2019>

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/

