

Plus! **Store of the Month:** Brookshire Brothers Express, P. 26

PROGRESSIVE GROCER

Aces and
Duffers
Emerge in
Our
Annual
Ranking of
Food
Retailers

Page 41



May 2017 • Volume 96 Number 5
\$10 • www.progressivegrocer.com

EnsembleIQ
CHARTER TO DIGEST

Good Enough to Eat

Ingredients, formats adapt to meet demands for healthier, portable products.

By Bridget Goldschmidt



With snacking on the rise among all consumers, especially a certain highly coveted and well-publicized demographic, it's safe to say that candy and salty/savory snacks will continue to loom large on the American food landscape, but these mainstay items are adapting in response to shopper and retailer needs.

Chief among these needs are innovative product formulation and presentation.

"Due to increased health awareness and education, more and more consumers are seeking clean-label products made with no artificial flavors, colors or preservatives," notes Eric Van Der Wal, VP of marketing at Clearview Foods, the better-for-you snack division of Charlotte, N.C.-based Snyder's-Lance Inc. "Gluten-free, organic and products made with non-GMO ingredients are becoming particularly popular."

"We are seeing more emphasis on the nutrition value, ingredients and smaller serving sizes in candy and snacks," asserts Rob Auerbach, president of Louisville, Ky.-based CandyRific, a maker of licensed novelty products. "It's in perfect harmony with what is going on in the mainstream grocery."

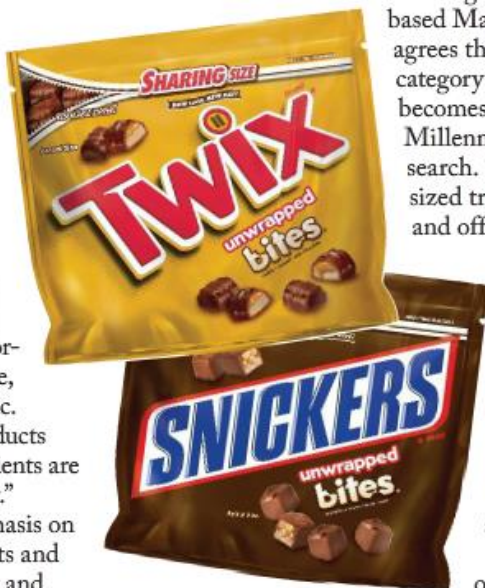
Sweet Shop

Although Nielsen figures for the 52 weeks ending March 11 show overall candy dollar sales down 0.2 percent, the \$5.3 billion category's chocolate candy miniatures segment is a bright spot, with dollar sales gains of 4.3 percent.

Larry Lupo, VP of sales for grocery, convenience and drug channels at Hackettstown, N.J.-based Mars Chocolate North America, agrees that small is big. "The bite-sized category is projected to grow as treating becomes more prevalent, especially with Millennials," he says, citing Kantar research. "Shoppers are looking for bite-sized treats that are easy to consume and offer portion control in a portable, resealable format."

New to the company's U.S. lineup are Maltesers, the No. 1 bite-sized candy in the United Kingdom, according to Mars. Portion control is also addressed by the company's 100 Calorie Sticks for Snickers, Twix, Milky Way and Dove Chocolate.

The packaging of some of Mars' signature brands has evolved as well. "The stand-up pouch format drives both dollar and unit sales, so we're converting our laydown bags to a redesigned stand-up pouch format for M&M's Brand Candies,



“Candy is currently ranked last in ease of shopping, and [stand-up pouches] will enable shoppers to find items faster.”

—Larry Lupo,
Mars Chocolate
North America

Snickers Bites and Twix Bites,” explains Lupo. “This makes it easier for retailers to promote and merchandise across brands, plus it improves the shopping experience for consumers.” Referencing information from Mars’ recent path-to-purchase study, he adds, “Candy is currently ranked last in ease of shopping, and [stand-up pouches] will enable shoppers to find items faster.”

In the “snackfection” space consisting of items with attributes of both candy and snacks, Mars has augmented its gluten-free Goodnessknows snack square line combining fruit, whole nuts and dark chocolate with three new flavors, Blueberry & Almond, Mixed Berry & Almond, and Strawberry & Peanut, which Lupo observes “reflect the most popular flavors in the top berries in the country.”

The Hershey Co. is also paying close attention to this hybrid segment, through such offerings as Hershey’s and Reese’s Crunchers and Reese’s Dipped Pretzels, Hershey’s Dipped Pretzels and Hershey’s Cookies ‘n Crème Dipped Pretzels, all due in June.



CandyRific’s Auerbach points to “an evolution as we change the fill in our products, with more fruit-based items and less sugar.” He additionally notes that “the licensing component in confectionary continues to increase, as food and snacks in general have an emotional connection.”

To heighten that connection, CandyRific makes use of high-impact merchandising strategies. “We see floor displays and power panels as the most effective way to do in-store marketing,” says Auerbach. “This give stores the opportunity to evaluate whether or not to put them into permanent planograms. It’s a dramatic way to introduce the product and shows the retailer and manufacturer which items sell the best.”

Better Snacking

When it comes to the \$13.7 billion snack category, although overall sales dollars are up 2.4 percent, caramel corn and popped popcorn offerings have seen explosive growth of 13.1 percent for the 52 weeks ending March 11, on top of a 16.3 percent increase the previous year, according to Schaumburg, Ill.-based Nielsen.



and natural cheese varieties top the list. Vibrant, authentic flavors and crispy-crunchy texture cue freshness and quality for consumers coast to coast.”

For its two latest offerings, the company teamed with shoppers across the country to come up with Popcornopolis Organic Gourmet Popcorn and Zebra by Popcornopolis.

“Guided by consumer preferences for clean, non-GMO whole grains, we created both lines using premium organic popcorn,” recounts Reardon. “Our Popcornopolis Organic Gourmet Popcorn line features eight gluten-free USDA-certified organic varieties, [while] Zebra by Popcornopolis is a decadent, confection-style line including five premium

“These innovations from our iconic brands deliver a sweet treat with a crunchy texture,” says Dave Nolen, senior director of category strategy and insights at the Hershey, Pa.-based company. Out this month, meanwhile, are Hershey’s Popped Snack Mix and Reese’s Popped Snack Mix, entries in Hershey’s expanding Snack Mix line providing what Nolen calls “sweet and salty with a lighter eat.”

Further, to drive home the idea that these items aren’t candy as usual, the company recommends that retailers merchandise them “in the salty snacks aisle with other warehouse snacks, because of shopper behavior,” Nolen explains. “Shoppers view Hershey’s snackfection items as a distinct category from candy. We want our products to show up where it makes sense for the shopper.”

Back in the candy aisle, the company combats shopper-discouraging clutter with its “gold-standard planogram that’s proving very successful when implemented at food retailers,” and, in common with Mars, makes use of “stand-up packaging that allows brand logos to stand out as their own billboards and present customers with more modern and convenient packaging,” according to Nolen.

Discussing product development at his company,

“

Shoppers view Hershey’s snackfection items as a distinct category from candy. We want our products to show up where it makes sense for the shopper.”

—Dave Nolen,
The Hershey Co.

“In a single day, many consumers will reach for a nourishing treat in one daypart and something indulgent in another.”

—Pamela Reardon,
Popcornopolis

chocolate-drizzled varieties.”

Meanwhile, “Snack Factory has added a number of quality better-for-you snack options to our product portfolio in the past year,” notes Clearview’s Van Der Wal. “Most recently, we introduced Organic Original Pretzel Crisps, which meets the growing consumer demand for organic foods. [They’re] are also Non-GMO Project Verified and contain only clean ingredients, which we have found to be incredibly important to many consumers.” Snack Factory has also expanded its gluten-free Pretzel Crisps line.

Another recent launch is a line of produce-inspired Fruit Sticks and Veggie Sticks. “These products were specifically created to meet the growing demand for convenient and healthy plant-based snacks and, as such, are made from real fruit and vegetables,” says Van Der Wal.

Along with the products themselves, in-store merchandising is of the utmost importance to Clearview. “With each new innovation at Snack Factory, we take into consideration both product style and retail location within the store,” observes Van Der Wal.



“We have found that consumers are shopping more frequently around the perimeter of the store, seeking fresh and better-for-you options, which validates our placements of Pretzel Crisps in the deli section and Fruit and Veggie Sticks in the produce section.”

He adds that the company also gives retailers “the option of ordering visual shipper displays, which provide easy and eye-catching storage for our products. We find this especially helpful when introducing new products or around high-traffic occasions in grocery stores, such as Super Bowl and holidays.”

Among other produce-based shelf-stable snacks, Los Angeles-based Snack It Forward considers itself a leader “in pushing clean labels,” asserts CEO Nick Desai. “Our Sunkist Fruit Chips [have] one ingredient — fresh fruit — that’s it. Our new Sunkist TrueFruit Clusters [are] made from just five ingredients, with nothing artificial.” A blend of three premium fruits

with no added sugar, the crunchy, bite-sized clusters, due in grocers’ produce sections “soon,” according to Desai, contain five servings of consumers’ daily fruit needs per bag. The company merchandises its products with display-ready cases, stackable displays and clip strips.



In common with Van Der Wal, Desai believes that healthier ingredients will stay in demand, observing, “As the snacking category continues to grow, more and more foods are being consumed on the go, pushing companies to provide more real-food, nutritious snack options.” **PG**