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The Hunger Game

AS CONSUMERS SNACK MORE OFTEN AND IN MORE PLACES, GROCERS EXPAND SNACK OFFERINGS THROUGHOUT THE STORE.

By Lynn Petrak

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he crave is a wave.

While most grocers still have a center store aisle lined with traditional salty snacks and cookies, those shelves include an ever-growing array of products. At the same time, retailers have dedicated other shelf and case space to snack products that cross a variety of packaged, fresh, refrigerated and frozen categories. Virtually anything, it seems, can and is being consumed for snacking and grazing occasions.

"Consumers are snacking on an average of 2.5 snacks per day in the U.S., and the snacking universe is far-reaching, encompassing many categories throughout the store," concurs Sally Lyons Wyatt, EVP and practice leader for Chicago-based IRI. "Consumers are driving this by either snacking on nontraditional categories, such as hard-boiled eggs, and/or the expansion within traditional categories."

Indeed, there's no shortage of data showing that snacks are, if not quite the new meals, a form of all-day sustenance. According to findings from Chicago-based Mintel, 55 percent of people now say that they snack two to three times a day, compared with 50 percent of respondents in 2015. Those in



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Key Takeaways

- ▶ All-day snacking is bigger than ever, with Millennials the most likely demographic to nosh four times or more daily.
- ▶ A plethora of new products, both in traditional snacking categories and beyond them, is addressing consumer needs for taste, satiety and nutrition; examples include probiotic-enhanced items and protein-rich meat snacks.
- ▶ As snack offerings spread out across the store, cross-merchandising is key, such as carrying packaged fruits and vegetable products in center store as well as in the produce section.
- ▶ Suggestive selling across the entire store should spur impulse snack purchases.



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the Millennial generation are the most likely to snack four or more times daily.

Within the broad spectrum of snacking, individual noshing across several categories is a macro trend. Research from The Nielsen Co., also in Chicago, pegs the individual-snacking category at \$33 billion in the United States.

Core Value

To Wyatt's point, traditional snack segments, among them salty snacks and packaged cookies, now include a plethora of new and specialty products. "For core snacking, it has received an even greater boost in sales — up 1.9 percent in dollar sales — from the diversification of benefits across the categories," observes Wyatt. "This may be from added benefits, such as protein or fiber, and the absence or less of other ingredients, like non-GMO."



Some of these products are line extensions and additions from big brands — including bold, exotic flavors, like Doritos Blaze chips — while others have been developed by niche or smaller brands looking to capitalize on consumer interest in unique items that satisfy their cravings.

A lot of the buzz in salty snacks stems from the growing variety of ingredients and flavors, in keeping with consumers' evolving tastes and preferences. Potato chips may be a segment leader, but a look at many store shelves reveals that hummus chips, lentil chips and other types of plant-based salty snacks are now commanding attention and room on the shelf. Examples include the recently introduced line of Peatos, from Los Angeles-based Snack It Forward, offering crunchy puffed snacks high in protein and fiber, and Cassava Root Chips, from Needham, Mass.-based Plant Snacks, made from root vegetables and free of the "big eight" allergens.

The health attributes of such snacks are a major driver, according to some industry experts.

"Probiotic-enhanced salty snacks are a huge trend at present, as consumers continue to indulge in self-care, with a 360-degree approach that also impacts on their attitudes to snacking," says Nicole Prefer, director of strategy for Vault49, a New York-based brand design agency that has worked in the snack sector. "Snack brands are stepping in to provide solutions with probiotic-enhanced nuts, chips and pretzels that help aid in digestion." She cites the

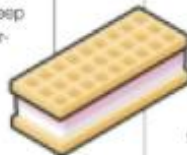
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example of Richmond, Calif.-based Living Intentions, which offers an activated Thai curry superfood nut blend with live probiotics.

Typically merchandised in center store and impulse areas, nutrition bars have become a quintessential snack for busy consumers, for health, flavor and portability reasons. The bar segment remains a focus of R&D activity, too, with new products launched almost weekly, including hybrid kinds of bars. Case in point: a savory snack bar made with real cheese, recently unveiled by Sonoma Creamery, in Sonoma, Calif.

In the seed segment, underscoring the power of co-branding, Chicago-based Conagra Brands recently teamed up with Taco Bell to offer BIGS Taco Supreme. "BIGS fans want bold flavor, and the brand's partnership with Taco Bell delivers," asserts Conagra spokeswoman Priscilla Zuchowski.

Meanwhile, given the popularity of protein-rich diets, the meat snack segment has been hot in recent years, and innovations keep coming. "The meat snacks sector is evolving, too, with better-for-you ranges proving popular," affirms Vault49's Prefer. "Among the reasons for meat snacks' success is that they offer a quick and easy snack with portion control [that is] high in protein and satiates hunger."



There are plenty of examples of new meat snack products, again from both major brands and smaller manufacturers. Conagra's "snacks and sweet treats" domain includes more meat snacks, including new Duke's Beef Brisket Strips, grass-fed, sliced brisket in Chipotle BBQ, Honey Bourbon, and Sea Salt and Pepper varieties, and new Duke's Shorty Tall Boys, smoked mini sausages in Original, Hot and Spicy, Hickory Peach BBQ, and Hatch Chile flavors.

Prefer points to other interesting types of meat snacks, such as Boulder, Colo.-based Wilde Brands LLC's chicken chips. "The brand has only four ingredients that dial into consumers' desire and need for healthy yet tasty salty snacks," she observes. "According to the founder, the chicken chips are the first-to-market salty snack that has all the taste and texture of your favorite potato-based chip, but with clean ingredients and protein instead of carbohydrates."

The changed-up forms of meat snacks are likewise showcased in a new Beef Primal line from The New Primal, based in North Charleston, S.C. The thinly sliced cuts of grass-fed, grass-finished beef jerky are touted



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as easier to chew than traditional jerky and fit into high-protein regimes like the Whole30 diet and the Paleo eating plan. "Our goal with the Beef Thins is to bring a new type of meat snack to market that not only caters to the particularities of Whole30, but also appeals to consumers who are put off by the toughness of traditional jerky," says founder Jason Burke.

Meat snacks aren't relegated to jerky and dried products, though. For example, pork rinds aren't new, but there are fresh takes on this classic snack, with items like Southern Recipe Small Batch pork rinds in Cilantro Lime, Blackberry Habanero and Smoked Sea Salt flavors; the Lima, Ohio-based company is also debuting Tender Style Pork Cracklins in a Honey Chipotle variety.

Total-store Snacking

While their snack aisles encompass more and different SKUs, grocers are delivering solutions for shoppers' cravings across most, if not all, departments.



Those solutions can help boost total store sales and demonstrate to shoppers that grocers understand their eating preferences. As a November 2017 report on snacking from Nielsen noted: "Expanding individual snacking options across all categories will provide consumers the variety they desire and keep them coming back for more."

In the refrigerated case, snacking cheese and combination snack packs offer consumers a host of snacking options. "Snack packs combining meat, cheese, crackers and/or dessert were a hit in 2017, with an increase in dollar sales of 45 percent," notes Wyatt. "These not only deliver on variety, but convenience and satiety."

Yogurt has long been a snack as much as a breakfast food, and there are an array of yogurt and other cultured and probiotic-rich refrigerated products that appeal to on-the-go snack-seeking consumers. Here, too, the variety show continues: the maker of Alove yogurt, Torrance, Calif.-based Morinaga Nutritional Foods, recently added a drinkable low-fat Japanese-style yogurt with aloe vera gel pieces; the product is sold in a 7-ounce bottle and comes in three varieties.

Snacks aren't anything new in the frozen depart-



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ment — frozen pizza rolls and egg rolls go back decades — but there are examples of recent product and packaging creativity in the freezer aisle.

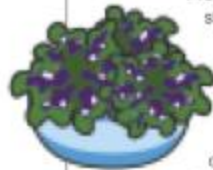
One example is a new line of organic frozen rice bites, Grainspirations, from Richvale, Calif.-based Lundberg Family Farms. The risotto balls are available in Gouda and Mozzarella, Black Rice, and Gochujang varieties. Iconic brands have also gotten in on the snack trend, such as Velveeta with its Velveeta Cheesy Bites, featuring a tortilla coating in Original and Salsa con Queso flavors.

Elsewhere in the store, fresh fruits and vegetables are snackable on their own, yet many grocers have added packaged snacks to their produce departments. "Some consumers are still opting for other fruit forms versus fresh, with an increase in other dried fruit of 2.3 percent," points out Wyatt.

Grocers can cross-merchandise packaged fruit and vegetable products, carrying them in the traditional snack aisle as well as the produce area. Packaged kale chips, for example, can be displayed near fresh kale or next to other packaged salty snacks, while single-serve packaged strawberries can be sold in a refrigerated case or display not far from larger, traditional fresh strawberry packages.

A 2017 Consumer Insights report from Nielsen confirms shoppers' gravitation toward packaged produce snacks. According to the research, the on-the-go snacking category within the produce department has grown more than 10 percent every year between 2012 and 2015, with more than 900 new snacking items introduced in that time frame.

Collaboration as Competitive Edge



Providing snack solutions across the store is increasingly pivotal in a competitive marketplace. "An omnichannel approach is more important now more than ever, since the majority of consumers look online before going into stores," observes Wyatt. "There are channel preferences across the generations that require targeted messaging and assortment by retailers to ensure they are the store of choice for their target consumers for their snacking needs."

She also emphasizes the importance of assortment and merchandising for snacks in the perimeter and center store, as well as in impulse displays and any other places where snacks can be sold.

"Once in the store, suggestive selling across the entire store will be beneficial and will drive impulse purchases," suggests Wyatt. "Collaboration between retailers and manufacturers should leverage the checkout and shopper loyalty cards to continue driving snack growth." **PG**