



# Strategic snacks

Insights into the future of snacking

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The days of snacks as simply a salty or sweet nosh are long gone. Snacking has become a ubiquitous part of daily eating rituals. It is integrally tied to culture, values, habits... and snack choices now reflect health goals, daily lifestyles and regimens. All this spells huge opportunity for brands that rethink what consumers want in a snack – that is, if they can figure it out.

The global market for snack foods has become a huge business, with sales projected to reach \$493.4 billion in 2022, and jumping to \$776.6 billion by 2027, on a CAGR of 6.7%.<sup>1</sup> The U.S. market represents a big chunk of that total, with 2022 sales estimated to reach nearly \$106 billion and rising to \$119.77 billion by 2026.<sup>2</sup>

With all this success, the snack food market has become fast-paced, innovative and competitive, with companies of all kinds getting in on the act. This means it is increasingly important to understand what consumers are looking for in a snack – perhaps even before they know it themselves.

That's no easy task, because snacking now lies at the epicenter of most food and beverage trends, from health and nutrition to clean label and sustainability. In other words, there's a new baseline for snack foods: they need to be nutritious (plant-based is a plus); they require label-friendly and sustainable ingredients; and snacks once again should be easy to eat on-the-go, while also providing good value.

Clearly, consumer ideas and attitudes about snacking have been constantly evolving. While snacks became a source of comfort and saw a return to indulgence during the lockdowns of the COVID-19 pandemic; in our current late-pandemic period, snack foods have seen a returning emphasis on health, with good taste always a priority.

According to insights from The Hartman Group, the pandemic years illustrated that changes in daily routines and general outlook could have a fundamental impact on snacking habits.<sup>3</sup> Consumers have also returned to snacking as a replacement for sit-down meals, with 2021 data showing that about one in four skipped breakfast three times a week, while a similar number said they skipped lunch. The pandemic years saw a decrease in interest for individual snacks and on-the-go options, as consumers stayed home and hunkered down.

But as they returned to the gym, traveled again and went back to the office, demand for those convenient solutions saw a revival.

At the same time, the snacking segment is now more fragmented than ever. Almost anything can now be a snack, and consumers are somewhat mixed as to what they prefer:



Source: The Hartman Group. "Changes in How We Snack: Snacking, More So Than Meals, is Highly Vulnerable to Lifestyle Changes." September 9, 2021.

These days, what constitutes a snack is quite variable from one snacker to another. For every consumer moving one way (say, toward an indulgent snack), there is another heading in the opposite direction (toward healthier options), according to Hartman analysts. What seems to underlie current trends is the demand for snacks that are fresh, healthy and nutritious, and which also help battle boredom and stress.<sup>4</sup>

As consumers seek out healthier snacks, they tend to become more interested in ingredients and product claims, according to insights from FMCG Gurus. This puts products that are lower in sugar, free from additives and 100% natural on their radar; they might also look for snacks that are fortified or contain functional ingredients.<sup>5</sup> This research also reported that 44% of consumers now seek products with added-value ingredients, such as protein, which is associated with several health benefits.

Snacking attitudes shifted further as COVID-19 restrictions lifted, creating a hybrid lifestyle in which home remains a stronger hub than it did prior to the pandemic, according to Euromonitor International. But people are also getting back to some normalcy as they socialize more, return to the office and eat out more often.<sup>6</sup> These hybrid-lifestyle consumers, who may also work part-time at the office, will likely hone in on concepts like convenience and time-savings, as well as snacks that support function.

But new issues, such as rising food costs, are also forcing consumers to re-think their spending priorities... and snacks, according to Euromonitor insights, remain fairly low on the discretionary spending list. Some consumers, they suggested, may look at snacks as an opportunity for a treat and seek out choices that offer permission to indulge via high-profile ingredients, smaller portions, or a novel sensory experience.<sup>7</sup>

For companies seeking to attain snacking success, these attitudes have prompted some emerging snack trends. Here is a look at a few developments that will shape the future of snacks:

## Snacks with a new twist

Whether reminiscent of a favorite childhood snack or boasting a healthier ingredient profile, innovation and reinvention will continue in snacking. It may be a new take on a traditional chip, such as chicken-flavored or fruit-based chips, hybrid products such as a chip/jerky blend or a candy/superfruit combo, or a multipurpose snack such as plantain nuggets, which can double as a healthy snack and salad topper.<sup>8</sup> Regardless of what form it takes, consumers are looking for something new and different – so thinking outside the box is critical.

## Up the flavor game

Along with new and exciting formats, consumers are looking for interesting flavor options and exotic flavors: nearly three in four note an interest in trying new flavors from around the world.<sup>9</sup> Think spices that evoke global cuisines, such as spicy habañero or serrano peppers, or citrusy lemongrass. These options have appeal for both the experience and sophistication they represent.





## Protein popping up

Protein is a well-understood nutrient, and as formulators become more adept at adding it to products without impacting taste, we will likely see it gain in popularity with ever-higher protein levels. In snacks, protein is already showing up in products conditioned for keto diets and in traditional snack foods as diverse as chocolate, chips and popcorn.<sup>10</sup>

Ultimately, even as new snacking demands and trends emerge, formulators are well-advised to keep their ingredient lists simple... and ideally, sustainable. Offering solid value will also be increasingly important, whether a snack is a premium product with a high indulgence value or a small bite designed to boost energy or performance.

As the snacking segment becomes increasingly fragmented, there is likely now a customer for any kind of new snack. The trick will be to know the customer you are targeting and then neither over-promise or under-deliver on the snacking experience.

See how Cargill can help you elevate your snacking game at [cargill.com/snacks](https://www.cargill.com/snacks).



### Sources:

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