

Winning big with snack innovation

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Photo: Evan Naka

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KANSAS CITY — Whether due to the pandemic, widespread economic troubles or the mass shift to working from home, many consumer behaviors have changed drastically. And snacking is no exception.

“Eating habits have shifted over the past few years, with consumers increasingly turning to snacking throughout the day rather than following a traditional meal schedule,” said Sandra Payer, head of marketing at Calbee America, Inc., Fairfield, Calif.

Mintel's "Snacking Motivations and Attitudes" report found that 95% of adults in the United States now snack at least once daily, while 70% snack two or more times. The number of "super snackers," those who snack four or more times per day, is rising as well.

"Snacking, more so than meals, is highly vulnerable to lifestyle changes," explained Melissa Abbott, vice president of retainer services, Hartman Group. "Where meals provide an anchor around which life happens, snacks are entirely structured around and woven into established daily activities. Sudden changes in daily routines and general outlook on life can then have a strong effect on snacking habits."

And while the snack category hasn't been immune to inflation that's causing consumers to buy less or trade down in snack size, its decline in volume has been softer than total food and beverage declines. Snack dollar sales have also outpaced both, according to omni-channel data from IRI for the 52 weeks ending Nov. 6, 2022.

Online sales have been a particular bright spot for snacks, driving both significant unit (7.9%) and dollar (19%) growth, IRI reported.

While consumers' worlds have changed, snacking remains a big part of it, and brands are winning them over with new flavors, limited-time offers (LTOs), environmentally conscious options and more.

Feeding the flavor frenzy

The snack category has seen an explosion of flavor innovation that's keeping consumers interested. Spicy offerings, for example, are performing particularly well.

"These super hot or roulette-type flavors have brought a lot of the younger generations," said Sally Lyons Wyatt, IRI executive vice president and practice leader, IRI. "They're gravitating to that because it's fun and exciting."

Hot varieties like spicy cool ranch, spicy sour cream, hot chili pepper and lime are seeing growth, she added.

Ready-to-eat popcorn maker Popcornopolis and Takis, two brands of Barcel USA, Coppell, Texas, for example, partnered to introduce Popcornopolis Takis Fuego, a popcorn featuring chili pepper and lime.

Popcorn is just one snack category Takis is spicing up, as the brand has also introduced spicy ridged potato chips, cheese snacks, corn snacks and nuts.



Source: General Mills, Inc.

The spicy wave has even hit the cereal aisle, with Minneapolis-based General Mill's Cinnamon Toast Crunch brand launching CinnaFuego Toast Crunch. Designed for the snacking occasion, the offering combines the brand's signature Cinnadust with the added sensation of a spicy pepper.

"Cinnamon Toast Crunch (CTC) is always looking to give our fans the most absurd and exciting experiences," said Mindy Murray, senior marketing communications manager at General Mills.

Snack brands today aren't afraid to stand out with their latest flavors. Calbee's Harvest Snaps Selects, its new lineup of baked navy bean snacks, come in Loaded Taco, White Cheddar Jalapeño and Honey Dijon Flavors.

"Bold flavors are attracting consumers to the snack aisle, and we took this cue when creating Harvest Snaps Selects," Ms. Payer said.

The pork rind category is growing thanks in part to its flavor innovation as well. Mark Singleton, vice president of sales and marketing at Rudolph Foods, Lima, Ohio, said the company's Southern Recipe Small Batch Brand's unique pork rind varieties, which include Kimchi BBQ and Pineapple Ancho Chili, are key to attracting new demographics and interest in the category.

“When I got here 20 years ago, 1 out of 16 Americans ate (pork rinds),” he said. “Now it’s 1 out of 5. If we can get to 1 out of 3, I’m pretty sure there’s not enough pigs. ... We’ve worked hard to educate today’s consumer about pork rinds and demystify the category, overall.”

Consumers are also interested in flavors that induce a sense of nostalgia. According to the Frito-Lay US Trend Index, 49% of consumers said the perfect snack reminds them of a specific moment in time.

“Modern nostalgia is becoming more popular as consumers turn to comfort and indulgence during times of stress,” Ms. Abbott said. “Here we are seeing updated and often more natural versions of ranch flavor, elote corn, chili cheese and queso all making a comeback.”

On the sweet side, chocolate flavors like cake, brownie batter and cinnamon are winning big, she added.

Snack startup Muddy Bites, North Sioux City, SD, has grown rapidly with its line of bite-size waffle cone snacks that capitalize on consumer nostalgia. Available in milk, dark and white chocolate, the snack is expected to expand to more than 15,000 stores in 2023, up from 2,300 at the beginning of 2022.



Source: Muddy Bites, Inc.

“Muddy Bites are capturing growing trends amongst Generation Z and millennials who are not afraid to indulge,” said Michael Parisi, company president. “We’ve brought a new, yet nostalgic approach to snacking — one that’s resonating with consumers in a way that nothing else in the space is at the moment.”

Better for you and the planet

While many consumers snack to indulge and escape from the stresses of everyday life, more are looking to do so with a snack they can still feel good about eating.

“From yogurt and chips to gummies and chocolate, better-for-you (BFY) and better-for-the-planet are appealing to consumers,” Ms. Abbott said. “We are seeing rising interest in claims ranging from organic, grain-free, upcycled, gluten-free, plant-rich, fair-trade, paleo, gut-friendly, regeneratively grown and fermented.”

For example, Quinn Snacks, Boulder, Colo., recently relaunched its Pop-at-Home Popcorn Kernels with single-origin corn kernels sourced from a farm practicing regenerative agriculture. The company also earned a “Climate Friendly” label on its snacks’ packages from HowGood, an assessment that measures greenhouse gas emissions from food products.

“Transparency is a huge priority for us at Quinn Snacks,” said Kristy Lewis, company founder. “When you know where your food comes from and how it’s grown, you make food differently, you make it better.”



Source: Once Again Nut Butter

Similarly, Once Again Nut Butter, Nunda, NY, known for its sustainably sourced nut and seed butters, entered the snack category with gluten-free, vegan, kosher and non-GMO project verified graham cracker sandwiches.

“These single-serve snacks are part of our Honest in Trade sustainability program, which seeks to improve quality of life through creating and sustaining environmentally, economically and socially fulfilling partnerships from farm to fork,” said Gael Orr, director of marketing for the company.

And Off the Eaten Path, a brand of Plano-Texas based Frito-Lay offering snacks made with peas, chickpeas and beans, has piloted industrially compostable packaging.

“We see these new, industrially compostable Off The Eaten Path bags as a way for consumers to help forge a new path forward in creating a world where packaging never becomes waste,” said Denise Lefebvre, senior vice president, R&D, foods, PepsiCo, Purchase, NY.

A growing number of brands are also capitalizing on both the BFY and nostalgia trends, crafting healthier alternatives to some of the biggest snack staples.

PeaTos, Los Angeles, for example, a line of plant-based snacks made with peas, is challenging popular Frito-Lay brands like Funyuns, Doritos and Cheetos. PeaTos are higher in fiber and protein and lower in calories but still aim to maintain the full sensory experience of those traditional snacks consumers love, said Nick Desai, founder and chief executive officer, PeaTos.

“In our category there’s really one dominant player with an effective monopoly, so we decided to create better versions of America’s favorite snacks by improving on the products of the most successful brands of that dominant player,” he said.

Following that game plan, Chubby Snacks, Los Angeles, has emerged and marketed itself as a BFY answer to Smucker’s popular Uncrustables brand. Chubby Snacks’ peanut butter and jelly sandwiches are made with organic, whole wheat bread and have 2 or 3 grams of sugar per sandwich, using medjool dates and monk fruit for sweetness instead of refined sugar. The brand surged from roughly 30 California stores in January of 2022 to more than 550 nationwide by the end of the year.

“[Uncrustables] is having double-digit growth, which means this market is expanding,” said Dillon Ceglio, founder and CEO of Chubby Snacks. “All we’re doing is providing another option for the consumer. We’re really excited about being able to not only compete against them but also just ultimately move this category forward.”

LTO and mashup magic

Snack makers are also building buzz with a variety of LTOs and brand mashups.

“Limited-time offers likely attract consumers because they offer something new and fun utilizing the snacks consumers know and love,” Ms. Lefebvre said.

According to Frito-Lay's snack index, 45% of respondents are looking for a flavor that is available during a limited time.

For the 2022 World Cup, for example, Frito-Lay unveiled three limited edition Lay's chips inspired by global flavors: Carnitas Street Tacos, Adobadas and Jalapeño Popper.

And cannabis-infused salty snack maker TSUMo Snacks, Los Angeles, added two holiday flavors to its lineup last year: Turkey Dinner and Cinnamon Sugar Churro.

Partnering with other brands is a great way for snack makers to capitalize with their LTOs.



Source: Goldfish

Campbell Snacks, Camden, NJ, recently collaborated with Dunkin' Brands to create Goldfish Dunkin' Pumpkin Spice Grahams. This followed the brand's collaborations with Frank's Red Hot and Old Bay on limited time flavors as well.

"The sense of scarcity and fleeting availability encourages trial when products are familiar flavors or brands from their childhood showing up in novel formats," Ms. Abbott said. "And parents like to share flavors from their youth with their kids as a way to connect and try something new yet familiar."

Newer brands are also establishing themselves by teaming up with celebrities or other snack makers on LTOs. TSUMo Snacks collaborated with Snoop Dogg to release Snazzle O's, a line of onion-flavored rings inspired by Funyuns. And Chubby Snacks partnered with tbh, a

hazelnut cocoa spread brand founded by Stranger Things actor Noah Schnapp, to create peanut butter and hazelnut cocoa sandwiches for the Halloween season.

“That [collaboration] crushed for us,” Mr. Ceglio said. “Not only were people excited about the product but also really excited about the relationship we built with another brand. I think collaboration with other brands is definitely a trend we’ll be seeing in the future.”

While many brand mashups are successful, some aren’t, Ms. Lyons Wyatt noted. This makes testing these products critical.

“You have to make sure you have something that’s going to excite and attract consumers to the brand,” she said. “You have to make sure that you do some testing to make sure you can get the short-term bump you’re looking for.”

The brands that drive this excitement among consumers, whether through innovative and nostalgic flavors, BFY varieties, mashups and LTOs, are poised for snacking success.

Snacking goes social

The online space has become an increasingly important battleground for snack brands to establish themselves.

“Social media has evolved from an entertainment platform to now also be a purchasing platform,” noted Sandra Payer, head of marketing, Calbee America, Inc. “Social media is also helpful for brands looking to connect with consumers in an authentic way.”

Calbee’s Harvest Snap brand launched a music-driven experience on TikTok called Snap Sounds, for example, which invited users to create their own snacking-inspired music via head movements.



Source: Snack It Forward

PeaTos, a line of plant-based snacks, heavily uses social media for its style of marketing. The brand's mascot, DJ_P, takes on traditional snack brands like Cheetos and Lay's through memes and diss tracks.

"As opposed to what we see in the better-for-you world and natural channel — the goody two shoes-, millennial mom-style branding and marketing — we've taken on a traditional junk food style marketing and gone head-to-head against [Frito-Lay]," said Nick Desai, PeaTos founder and chief executive officer.

Succeeding on social media often comes down to putting a face on the brand, especially newer ones, added Dillon Ceglio, founder and chief executive officer of Chubby Snacks.

"Back in the day, you could launch a brand, and you never had to show who you were," he said. "But today there's an emotional tie to buying products. And I think a lot of it comes down to relatability and showing the emotional turmoil that comes with starting a food brand."

Mr. Ceglio said he's amazed by the positive feedback and support Chubby Snacks has received on its LinkedIn page, where it documents its growth, new product development, automation and more.

"People really champion you; they want you to win," he emphasized. "It's very cool to see that you can be vulnerable on a public app and people respect that and get behind it."