Nuts and Savoury Snacks: Latest trends and innovation

June 2011
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- Consumer attitudes towards snacking
- Launch activity and market overview
- Top positioning claims
- Flavour trends
- Packaging trends
- Conclusions and some points for the future
Consumer attitudes towards snacking
Attitudes towards eating and snacking, by country – 2009 / 2010

(I often eat snacks while on the move - 2010)
I often eat between meals, I keep eating snacks

I always think of the calories in what I eat

I pay attention to where the products I purchase are made/grown

I don't normally eat between meals

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A growing number of consumers eat between meals, particularly in Germany and the UK.
Penetration of salty snacks by country – 2010

- Potato crisps, tortillas and corn snacks have the highest penetration in most countries, reaching over 80% in the UK and France.
- So called healthier snacks such as nuts and dried fruit are popular in Spain.

Source: Crisps and Salty Snacks - Europe – May 2011
Source: TGI Europa, Kantar Media UK Ltd, 2010/Mintel
Penetration and frequency of eating potato crisps, by country – 2010

- Of all the consumers who eat potato crisps, in the UK 11% eat them once a day or more.
- In Spain 22% eat them 2-3 times a week, with the majority of countries eating crisps once a week or less.

Source: Crisps and Salty Snacks - Europe – May 2011
Source: TGI Europa, Kantar Media UK Ltd, 2010/Mintel
Penetration and frequency of eating nuts & dried fruit, by country – 2009

Of all the consumers who eat nuts and dried fruit, in Spain nearly half eat them once a week or more often.

Source: Crisps and Salty Snacks - Europe – May 2011
Source: TGI Europa, Kantar Media UK Ltd, 2010/Mintel
## Trends in potato crisps, tortilla & corn snacks, by country – 2006-10

### Even though it remains the country with the highest penetration, there was a 4% decrease in consumption in the UK

### Germany saw an 18% increase in potato crisps consumption since 2006 while Spain remained stable

Source: Crisps and Salty Snacks - Europe – May 2011

Source: TGI Europa, Kantar Media UK Ltd, 2010/Mintel

*Please note, there may be some fluctuations in the data between 2006 and 2010, due to a methodology change in 2010*

### Table: % point change in consumption of crisps, tortilla & corn snacks by country (2005-09)

<table>
<thead>
<tr>
<th></th>
<th>2006 %</th>
<th>2007 %</th>
<th>2008 %</th>
<th>2009 %</th>
<th>2010 %</th>
<th>% point change 2005-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>67</td>
<td>69</td>
<td>68</td>
<td>65</td>
<td>85</td>
<td>+18*</td>
</tr>
<tr>
<td>Germany</td>
<td>53</td>
<td>58</td>
<td>59</td>
<td>63</td>
<td>68</td>
<td>+15*</td>
</tr>
<tr>
<td>GB</td>
<td>88</td>
<td>87</td>
<td>85</td>
<td>84</td>
<td>84</td>
<td>-4</td>
</tr>
<tr>
<td>Spain</td>
<td>79</td>
<td>78</td>
<td>78</td>
<td>79</td>
<td>79</td>
<td>-</td>
</tr>
</tbody>
</table>

Base: adults

Source: TGI Europa, Kantar Media UK Ltd – 2005-09/Mintel
In the UK four in five adults eat standard crisps

Consumption of crisps and salty snacks in the last six months, by type, November 2010

Base: 1,000 internet users aged 16+

Source: Toluna/Mintel
Source: Crisps and Salty Snacks - UK – January 2011
Important factors when choosing **crisps or salty snacks**, November 2010

Base: 960 internet users aged 16+ who have eaten crisps/ salty snacks

- **Price**: 60%
- **My favourite/usual flavour**: 57%
- **Brand I like/trust**: 55%
- **Special offer**: 54%
- **High quality ingredients**: 27%
- **A flavour I haven’t tried before**: 20%
- **Natural (eg no additives)**: 19%
- **Lower fat**: 16%
- **Low/no salt**: 12%
- **Baked (not fried)**: 12%
- **Hand-cooked**: 11%
- **Other promotion (eg competition)**: 11%
- **Low/controlled calorie**: 10%
- **Limited edition (eg seasonal flavour)**: 9%
- **Gourmet flavour**: 8%
- **Environmentally friendly**: 3%
- **I do not but crisps/salty snacks myself**: 3%

Source: Toluna/Mintel
Source: Crisps and Salty Snacks - UK – January 2011
Factors important in snack choice, March 2010

Base: 919 internet users aged 16+ who eat snacks

- Taste/flavor: 74%
- Convenient to eat: 53%
- How filling it is: 37%
- Price: 37%
- Low fat: 22%
- Portable: 20%
- Single pack: 19%
- Low calorie: 18%
- Indulgent: 13%
- Trusted brand: 11%
- Natural: 10%
- Small/controlled portion: 8%
- Fibre content: 8%
- Resealable bag/packet: 7%
- Easy to share: 4%
- None of these: 3%
- Other: 1%

Source: Toluna/Mintel
Source: Consumer Snacking UK – June 2010
Consumer attitudes towards Snacks – UK – 2010

Top six snacks at home and on-the-go, March 2010
Base: 919 internet users aged 16+ who eat snacks

Source: Toluna/Mintel
Source: Consumer Snacking UK – June 2010
Launch activity and market overview
The UK was the most active country despite a decrease in 2008 and 2009, with good recovery in 2010.

There has been good growth in Germany.

France and the Netherlands have remained quite stable in the past 5 years.

Spain has seen some growth since 2007.

Source: Mintel GNPD
Please note: 2011 covers only January to May.
Nuts and Salty Snacks – Europe

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Potato Snacks</strong></td>
<td>36.5%</td>
<td>28.0%</td>
<td>26.5%</td>
<td>23.6%</td>
<td>26.7%</td>
<td>25.5%</td>
</tr>
<tr>
<td><strong>Nuts</strong></td>
<td>15.3%</td>
<td>19.1%</td>
<td>19.8%</td>
<td>21.3%</td>
<td>20.6%</td>
<td>17.4%</td>
</tr>
<tr>
<td><strong>Fruit Snacks</strong></td>
<td>12.7%</td>
<td>12.1%</td>
<td>15.4%</td>
<td>12.9%</td>
<td>14.8%</td>
<td>15.8%</td>
</tr>
<tr>
<td><strong>Corn Based Snacks</strong></td>
<td>10.2%</td>
<td>11.1%</td>
<td>11.5%</td>
<td>12.5%</td>
<td>10.8%</td>
<td>11.0%</td>
</tr>
<tr>
<td><strong>Wheat &amp; Other Grain Based Snacks</strong></td>
<td>9.8%</td>
<td>9.8%</td>
<td>7.8%</td>
<td>8.3%</td>
<td>10.0%</td>
<td>11.0%</td>
</tr>
<tr>
<td><strong>Meat Snacks</strong></td>
<td>5.1%</td>
<td>4.4%</td>
<td>6.4%</td>
<td>9.3%</td>
<td>4.8%</td>
<td>4.7%</td>
</tr>
<tr>
<td><strong>Snack Mixes</strong></td>
<td>4.6%</td>
<td>6.7%</td>
<td>6.4%</td>
<td>5.3%</td>
<td>5.5%</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>Rice Snacks</strong></td>
<td>2.8%</td>
<td>5.3%</td>
<td>4.1%</td>
<td>3.8%</td>
<td>3.3%</td>
<td>4.5%</td>
</tr>
<tr>
<td><strong>Cassava &amp; Other Root Based Snacks</strong></td>
<td>1.6%</td>
<td>2.2%</td>
<td>0.8%</td>
<td>1.4%</td>
<td>1.9%</td>
<td>1.9%</td>
</tr>
<tr>
<td><strong>Vegetable Snacks</strong></td>
<td>0.9%</td>
<td>0.5%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.3%</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Bean Based Snacks</strong></td>
<td>0.6%</td>
<td>0.7%</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Source: Mintel GNPD

Please note: 2011 covers only January to May
Nuts and Salty Snacks – Europe

Source: Mintel GNPD
Please note: 2011 covers only January to May
No additives/preservatives

Kelly Soletti Original Gold Fischli Sesam, fish-shaped wheat snacks with no flavour enhancers, Austria

Kettle Foods Kettle Chips Jalapeno Chilli potato chips with ‘absolutely nothing artificial’, UK

BGF Bon & Bent Bio, organic fruit snacks fig/strawberry/pear, made with no artificial colours, flavours and preservatives, France

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Martis Freyma’s all natural paprika flavoured potato snack, Germany

NouriMare seaweed, paprika and chilli pepper crisps; organic certified potato crisps, Sweden

Premium Farm Apple Crisps, 100% natural freeze-dried fruit crisps with no added sugar, UK
Migros Premium Lime & Chili Peanuts, available in a resealable can, Switzerland

CJSC Dnepropetrovsk Zolote Zerno Salyut, red caviar and butter flavoured corn snack, Ukraine

Budgens Best Hand Cooked Cheddar & Red Onion Flavour Crisps, said to be hand cooked in sunflower oil, UK
Flores Farm, premium organic and Fairtrade coconut chips processed and dried at low temperatures, Finland

Grupo Eroski SeleQtia potato chips made with Agria and Hermes potatoes, grown in the valley of the river Tuerto in Leon, and fried in olive oil, Spain

Sainsbury’s Taste the Difference Canadian Maple Roasted Nut Collection, with cashews, macadamias and almonds, UK
Attitudes towards eating and snacking, by country – 2009 / 2010

(I often eat snacks while on the move - 2010)
I often eat between meals, I keep eating snacks

I always think of the calories in what I eat

I pay attention to where the products I purchase are made/grown

I don't normally eat between meals

Provenance claims are becoming more important, particularly in Germany and France
Local and provenance claims

Zweifel Pomy-Chips Secrets red & black pepper chips, made with potatoes from selected Swiss farms, Switzerland

Brandt Micro minis toasted sweet crispbread with Sesame, made with flour from controlled German cultivation, Germany

Sainsbury’s Taste the Difference Farmhouse Cheddar & Spring Onion Potato Crisps, made with premium British potatoes, UK
Local and provenance claims

Red Sky sea salt and Suffolk cider vinegar crisps, Ireland

ALTHO Bret’s Grilled Steak Flavoured Crisps, a product from Brittany, said to be locally produced, France

Jack Klijn Oerpinda, lightly salted Fair Trade Bolivian peanuts, Netherlands
Sea salt

GSG Tarallucios Crunchy Wheat Chips available in a sea salt flavour, said to give a modern take on a Sardinian specialty, Italy

Spar Premium Plain & Blue Crisps, prepared with sea salt and with 40% less fat than regular crisps, Switzerland

Sirhowy Valley Foods REAL handcooked sea salt & black pepper crisps made from select potatoes, Netherlands
Low sodium

Faan Wolvega No Salt, unsalted potato chips said to be rich in omega 6, Netherlands

Hain Europe Terra Stripes & Blues, exotic vegetable chips with sea salt, said to contain 47% less salt than regular ones, France

PepsiCo Lay’s Chips à L’Ancienne, goat’s cheese flavoured crisps with 25% less salt than before, France
Attitudes towards eating and snacking, by country – 2009 / 2010

- In Spain and the UK, more consumers are thinking of the calories in what they eat.
- Despite a small decrease, France is the country where more consumers are concerned about their calorie consumption.
Evolution Foods Natural Selection Five Fruit Mix, said to be low fat and a source of fibre, UK

Jumbo Supermarkten Sour Cream Rice Chips with 70% less fat than the ‘natural chips’, Netherlands

PepsiCo Les Cuites au Four de Lay’s, plain oven-cooked potato crisps with 70% less fat than similar products, France
Low allergen

Fratelli Beretta Gli Originali Stick Mini Mini, spicy meat sticks said to be gluten- and lactose-free, Italy

Lidl Knights vegetable crisps with parsnip, sweet potato, beetroot and carrot, free from gluten, MSG, artificial flavourings, colours and preservatives, UK

Dr. Schar Salinis pretzels, naturally free from gluten, and made with no wheat or lactose, Switzerland
Flavour trends
Top flavours – Europe

The majority of launches were unflavoured/plain, followed by salt/salted varieties.

There has been good growth of Sea Salted varieties, which often have a premium positioning.

Spicy flavours including Paprika, Chili Pepper and Wasabi show good potential in Europe.

Roasted and Salted combinations are seen mostly in the nut category.

<table>
<thead>
<tr>
<th>Below average</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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</thead>
<tbody>
<tr>
<td>Unflavoured/Plain</td>
<td>149</td>
<td>275</td>
<td>267</td>
<td>273</td>
<td>397</td>
<td>123</td>
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<tr>
<td>Salt/Salted</td>
<td>128</td>
<td>141</td>
<td>118</td>
<td>163</td>
<td>158</td>
<td>59</td>
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<tr>
<td>Cheese (unspecified)</td>
<td>62</td>
<td>58</td>
<td>78</td>
<td>88</td>
<td>74</td>
<td>33</td>
</tr>
<tr>
<td>Paprika</td>
<td>64</td>
<td>76</td>
<td>83</td>
<td>45</td>
<td>73</td>
<td>26</td>
</tr>
<tr>
<td>Chili Pepper</td>
<td>33</td>
<td>49</td>
<td>39</td>
<td>54</td>
<td>58</td>
<td>16</td>
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<tr>
<td>Roasted &amp; Salt/Salted</td>
<td>19</td>
<td>32</td>
<td>21</td>
<td>54</td>
<td>66</td>
<td>24</td>
</tr>
<tr>
<td>Barbecue/BBQ</td>
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<td>33</td>
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<td>38</td>
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<tr>
<td>Spice/Spicy</td>
<td>25</td>
<td>34</td>
<td>48</td>
<td>38</td>
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<td>10</td>
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<tr>
<td>Onion &amp; Sour Cream</td>
<td>25</td>
<td>30</td>
<td>36</td>
<td>18</td>
<td>38</td>
<td>9</td>
</tr>
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<td>Apricot</td>
<td>16</td>
<td>23</td>
<td>30</td>
<td>31</td>
<td>38</td>
<td>10</td>
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<tr>
<td>Salt (Sea)</td>
<td>9</td>
<td>8</td>
<td>26</td>
<td>33</td>
<td>44</td>
<td>17</td>
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<tr>
<td>Multiple Flavour</td>
<td>60</td>
<td>19</td>
<td>14</td>
<td>23</td>
<td>14</td>
<td>7</td>
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<tr>
<td>Roasted</td>
<td>19</td>
<td>7</td>
<td>15</td>
<td>31</td>
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<tr>
<td>Apple</td>
<td>30</td>
<td>23</td>
<td>15</td>
<td>21</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>Salt/Salted &amp; Vinegar</td>
<td>16</td>
<td>24</td>
<td>23</td>
<td>15</td>
<td>25</td>
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<td>Bacon</td>
<td>16</td>
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<tr>
<td>Cheese (unspecified) &amp; Onion</td>
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<td>Peanut</td>
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<td>29</td>
<td>16</td>
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<tr>
<td>Raisin</td>
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<td>22</td>
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<td>11</td>
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<tr>
<td>Wasabi</td>
<td>4</td>
<td>7</td>
<td>9</td>
<td>24</td>
<td>32</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Mintel GNPD
Please note: 2011 covers only January to May
Chilli and spicy flavours

- **Pata La Patatina Artigianale**, hand cooked crisps with red chilli peppers, Italy
- **Walkers Snack Foods Sunbites**, sun ripened sweet chilli flavour wholegrain snacks, UK
- **Smiths Food Group Spookies Spicy Potato Snack**, Belgium
Wasabi flavours

Top Snacks Vitasia Wasabi-Style Chips, said to be extra hot, Germany

Intersnack Vico Croustillants Wasabi flavoured extra puffed rice snacks, free from preservatives, France
Roasted and salted nuts

Top Seven 4 Friends roasted and salted peanuts, free from GMO, Ukraine

Lidl Alesto roasted and salted cashew nuts, Portugal

The Co-Operative Group roasted and salted mixed nuts, UK
Packaging trends
Marap Pearls of Samarkand, organic energy snack mix with berries and nuts, available in a resealable pack, Finland

Waitrose Wholesome 73 Raisin Mix, said to be a natural source of fibre, available in a resealable pack, UK

Sainsbury’s Ready to Eat Sweetened Dried Mango, said to be ideal for baking or snacking, available in a resealable pack, UK
Ostermuhle Naturkost Bobbels, organic paprika snacks for nibbling, available in a recloseable tub, Germany

Lawncourt Harvest Munchy Seeds chilli mix, with sunflower seeds, apricot kernels and pumpkin seeds, with crushed chillies, available in a 200g tub, UK

Lu Fonzies cheese flavoured corn snacks, available in a resealable ‘Snack & Go’ tub, Italy
Whitworths Frooz Strawberry High Fruit Buttons, made with 80% fruit and available in snack packs ideal for lunchboxes, UK

Steirerkraft Naturprodukte seeds 2 go, available in resealable snack-cups for on-the-go, Austria

Indústrias de Carnes Nobre Snacks barritas de chorizo, high-protein chorizo mini bars available in a 50g on the go pack, Portugal
Convenient portionable packaging

Planet Lunch Garlic Bread Bites made with all natural ingredients, available in small single serve packs, UK

Altho Bouton d’Or potato crisps available in a pack with 6 single-serve packs, France

Marius Bernard Reflets de Provence quince paste bars, individually wrapped fruit snacks, France
While nearly 40% in the UK and Spain often eat between meals, only around 25% claim to often eat snacks on the move → snacking also at home / in the office
Common reasons and occasions for eating snacks, March 2010

Base: 919 internet users aged 16+ who eat snacks

- When I'm hungry between meals: 54%
- When I'm bored: 41%
- When I'm watching TV/on the computer/reading: 21%
- When I'm stressed: 20%
- When I want to treat myself: 20%
- When I have skipped a meal: 19%
- When I need a pick me up: 17%
- When I'm having a hot drink: 15%
- On impulse: 11%
- When I need a break: 11%
- When I'm having an alcoholic drink: 6%

Source: Toluna/Mintel
Source: Consumer Snacking UK – June 2010
Recreating snacking experiences in the home

El Sabor Nacho’n Dip, salted corn chips with a Salsa Dip, said to feature ‘the original cinema flavour’, Greece
Conclusions – the consumer

- Around 40% of consumers in Spain, the UK and Germany eat between meals and claim to keep eating snacks → only a quarter of consumers in Spain and the UK claim to eat on the move

  **Potential for more at-home snacks?**

- Potato crisps, tortillas and corn snacks have high penetration in most countries, with four in five UK consumers eating salty snacks

- Nuts and dried fruit are most popular in Spain

- The majority of consumers eat salty snacks once a week or less, except in the UK → how to increase consumption across Europe?

  **Could we increase consumption through lunchtime meal deals?**

- Chips/crisps **price** is a key factor for UK consumers → closely followed by flavour and brand

- However, **flavour** is the most important factor for three out of four UK consumers when I comes to choosing snacks

- There is a growing concern about **provenance** and the issue of ‘local’ foods
Conclusions – the trends

In terms of positioning claims, No Additives/Preservatives and Organic claims have increased in activity as consumers continue to turn towards a more natural nutrition

- Nearly a quarter of all Snack launched in Europe in 2011 claimed to be free from Additives and Preservatives

There has been a marked decline in Low Fat claims, as consumers see a snack as a treat, and not a diet product

Premium snacks have increased in popularity → enhancing the positioning of snacking as a treat and an indulgence

In terms of flavours, unflavoured launches were the most common, with Salted flavours being popular across several countries → Sea Salt varieties have increased, emulating the increase of Premium positionings

Spicy flavours such as paprika, chilli and wasabi show good potential

In terms of packaging, resealability and portability were popular features, enhancing the convenient nature of snacks

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