

A Popular, Evolving Segment

Salty snacks have always been a draw in c-stores, but new and unique lines are expanding the channel's customer base.

BY JOANNE FRIEDRICK

With the good-for-you snacking trend on the rise, the question becomes: Where do salty snacks fit in?

Fortunately for snack producers in this popular category, protein and fiber are among the benefits that they can offer consumers, while also drawing them in with cleaner ingredient lists and bolder flavor profiles that satisfy the need for snacking indulgence.

According to InfoRhythm's CMetrics projected convenience channel database for warehouse-delivered snacks, dollar sales for the entire salty snacks category was up 2.1 percent year-to-date through the week ending June 16. Taken as whole, the category racked up sales of more than \$670 million, with nuts and seeds garnering the largest share at 30 percent.

Sales for plant-based protein champions—nut and seeds—for the year ended June 16 grew moderately at a 1.2 percent rate, but the real winner among salty snacks was tortilla chips. Although these account for just an 8 percent share of the total category, year-to-date sales through June 16 were \$54.3 million, up 12.2 percent over the previous year.

Other significant gainers were packaged ready-to-eat popcorn, up 8.1

percent; puffed cheese snacks, up 6.6 percent; and mixed snacks, up 6.5 percent. It should be noted, however, that



puffed cheese and ready-to-eat popcorn represent just 1 percent each of the total snack category. Mixed is a larger segment, taking fourth place at 13 percent, just behind crackers, which account for 15 percent of the segment.

Potato chips, which are second to nuts and seeds with a 19 percent share, were the only category to see a dip for the 12 months ended June 16. Sales dropped 1.7 percent, but still topped \$124 million.

The top 10 manufacturers, according to CMetrics data, represent more than 80 percent of warehouse-delivered snack sales and the top 10 brands account for more than 60 percent of sales. (See related charts.)



Planters is leveraging the popularity of protein with items such as Planters Crunchers and NUTrition.

Snacking in general and salty snacks in particular are evolving, as consumer tastes change and particular dietary issues come to the fore. But snacking remains a huge business. As Mintel Consulting reported, 94 percent of adults say they snack daily. And the reasons people snack range from treating themselves (50 percent) to giving themselves a break (37 percent) to relieving stress (24 percent).

Snacking's Big Impact

Lizzie Parsons, marketing manager for Minneapolis-based General Mills Convenience & Foodservice, noted snacking is a \$117 billion industry and accounts for a third of all eating occasions, according to The NPD Group's *National Eating Trends* data for the two years ended August 2017.

Salty snacks, she said, are the top snack consumed, followed closely by candy bars and snack bars.

"The boundary between meals and snacks is blurring as consumers are increasingly snacking throughout the day," said Parsons, adding that both functional and



There's a growing focus on unique flavors, such as BiGS' Taco Bell-inspired sunflower seeds.

emotional needs are driving snacking, with satiation at the top of the list. And within c-stores specifically, male Millennials are the primary salty snack customer.

Both ends of the snacking spectrum—better for you and indulgent—are growing, she said. "We are seeing a stronger focus on healthier, nutrient-filled snacks," she said, and some of the company's brands, such as Annie's and Food Should Taste Good, "meet consumers looking for real, simple, clean ingredients."

"There is a clear consumer migration toward protein snacking as evidenced by the growth in nuts, meat snacks and plant-based protein," said Stephen Gaonach, category head-snack nuts for Chicago-based The Kraft Heinz Co. "Within protein," he said, "flavor-

forward offerings continue to proliferate in the category across multiple segments and brands, as does the emphasis on crunch and texture."

Gaonach cited in particular the success of Planters Crunchers, which are nuts with a crunchy coating in flavors such as Sea Salt and Black Pepper and Mesquite





Snack mixes, like Chex, saw a sales spike over the past year ended mid-June.

snacks—as in the P3 line—to bump up the protein component that is so popular with consumers.

Some of Chicago-headquartered ConAgra's latest introductions for convenience stores come from its Duke's line, which it purchased in 2017. The flavor profiles reflect those that have been embraced by salty snacks, such as Chipotle BBQ and Honey Bourbon for its Duke's Beef Brisket Strips and Hot Spicy and Hatch Green Chili for its Shorty Tall Boy pork meat sticks.

Another new flavor coming onto the scene from ConAgra, according to its communications department, are BIGS Taco Bell Taco Supreme sunflower seeds. The seeds “combine BIGS’ fire-roasted, USA-grown sunflower seeds with the spicy taco flavor and signature crunch associated with the nation’s leading Mexican-inspired quick service restaurant.”

Flavors to Savor

Unique flavor profiles for snacks are becoming the norm. In announcing trends for this year’s Sweets & Snacks Expo in Chicago, the National Confectioner’s Association’s (NCA) listed artisanal salt flavors as one of four major trends, along with myriad seasonings such as hatch chili, sun-dried tomato, rosemary and garlic. Plant-

Barbecue; NUTrition, a mix of salted nuts with dried fruit; and P3, a multi-compartment snack offering that combines flavored peanuts with glazed ham or beef jerky and sunflower seed kernels for a high-protein option.

He said these relatively new offerings are an example of the need for innovation in the “fast-moving consumer goods categories.”

“A mix of line extensions to bring news, coupled with new platforms to tap into new occasions and behaviors helps keep the category relevant with retailers and consumers,” he said.

Although not part of the salty snacks category per se, meat snacks are increasingly being combined with salty

derived protein snacks were also mentioned, such as those using cauliflower, chickpeas, lentils, quinoa, peas and beets.

This doesn’t come as a surprise to those on the front lines of snack production.

“We are seeing more extremes and interesting, indulgent combos in salty snacking really pop in the c-store with the growth of spicy/bold flavors to sweet and salty combos as well as new forms that change the snacking experience,” General Mills’ Parsons said.

Among the flavors trending now, she said, are barbecue and churro. Barbecue continues to be a large and growing salty set flavor, she said, and, citing data from Chicago’s IRI on the top 20 salty snack flavors, barbecue was the third largest in early 2017.

In response to consumers’ love for barbecue and the growth of barbecue in the salty snack category, General Mills now offers BBQ Bugles with a bold barbecue flavor, and more recently rolled out Honey BBQ Chex.

Additionally, said Parsons, “as churros are an increasingly popular menu item, we are also seeing churro flavor, combining sugar and cinnamon, transcend into several new products, including salty snacks like Bugles.”

The Distributor/Supplier Connection

With so many new items coming into the marketplace, having a good relationship with distributor partners is key for snack manufacturers.

Parsons called General Mill’s distributor partners as “critical to the success of our business, specifically as it relates to innovation.” She said the company “actively solicits feedback and guidance...on our innovation pipeline. It is important that each launch is optimized, not only for c-store shelves, but also for the distribution network.”



General Mills’ Bugles are available in popular and emerging flavors, such as barbecue, hot buffalo and churro.

Top 10 Manufacturers	\$ Share	Growth Trend
KELLOGG'S	20.1%	Flat
GENERAL MILLS INC	15.5%	Flat
THE KRAFT HEINZ COMPANY	11.2%	Flat
CONAGRA BRANDS	9.2%	Flat
MARS WRIGLEY CONFECTIONERY US	7.2%	Up
CAMPBELLS SOUP COMPANY	4.7%	Up
FRITO-LAY INC	4.2%	Up
MONDELEZ INTL	3.4%	Up
PARAMOUNT FARMS	2.9%	Up
UTZ QUALITY FOODS INC	2.6%	Down
	81.1%	
Top 10 Brand Families	\$ Share	Growth Trend
PRINGLES	10.9%	Flat
PLANTERS	8.6%	Flat
CHEX MIX	7.4%	Up
COMBOS	6.8%	Flat
CHEEZ-IT	6.8%	Flat
DAVID	4.6%	Down
GARDETTOS	4.2%	Down
BUGLES	3.8%	Flat
SPITZ	3.3%	Up
BIGS	2.9%	Up
	59.5%	



She said once a product is launched, “our dedicated sales team partners directly with distributors to generate awareness of new item launches, ensure product availability and drive mutual growth.”

Many of the top 10 warehouse-delivered snack manufacturers cited by CMetrics data are participating in CDA's Multivendor Endcap (MVE) program, which places a mix of the most popular snack items on racks to drive impulse purchases at the c-store level.

In a presentation at CDA's Marketplace 2018 in Orlando, Kenneth Batterton director of merchandising and purchasing at Sulphur Springs, TX-based GSC Enterprises Inc. and a member of the association's Warehouse Delivered Snack Committee, said the MVE helps with salty snack impulse sales by putting favorite snacks in a secondary convenient location near the checkout versus having to go back to the snack aisle to get it.

He said research shows many people shopping in c-stores don't go into the aisle, so this is one of the issues that MVEs are trying to solve. “(It's) on the path to purchase, in a place where an impulsive shopper is more likely to grab it,” he said. People, he said, also have a relationship with a favorite salty snack, and MVEs help capitalize on that.

The top 4 percent of SKUs drive half of the sales, he pointed out. “If we can sell more of that top 4 percent to consumers who already have a relationship with that product,” everyone wins, he said. That means the racks aren't for new items or unproven products, he said, but solid, core, best-selling products that deserve to be in more than one place in the store. Additionally, warehouse-delivered snacks have proven to have a nearly 12 percent higher gross margin than DSD snacks.

There is a lot of opportunity in warehouse-delivered snacks to provide products that will improve profits for c-stores, Batterton said. If a popular snack product that makes more margin isn't in multiple places, then it's not doing the most for the store, the consumer or the distributor, he said. [CD](#)



Salty snacks can be given added exposure at the store level in MVEs.

Protein-rich snacks like jerky are showing up individually, like the Duke's brand, or as part of snack set, like P3.