

# Unlocking Profit Potential Through Snacking Foresights

*Culinary Tides, Inc.*



# What We Do ...

We help food industry partners navigate trends by revealing patterns leading to products that connect with customers

## Methodology

Military Intelligence  
& Chaos Analytics



### \*Other Forecasters

### \*Culinary Tides, Inc.

New Product Launches:  
(Retail **AND** Foodservice)

Product Sales:  
(**Multiple** Source)

Consumer Surveys:  
(**Multiple** Source)

(+)

Behavioral Research

Competitor Intelligence

Technologies

Clinical Health Research

Government Regs

Courier Industries:  
(Travel, Pharmaceutical)

Economic Research:  
(Retail, FS, e-Com, Consumer)

New Product Launches:  
(Retail **OR** Foodservice)

Product Sales:  
(**Single** Source)

Consumer Surveys:  
(**Single** Source)



# Consumers: Behavior & Drivers



# Inflation Behaviors Changes: Covid Effect

## Typical Inflation Behavior

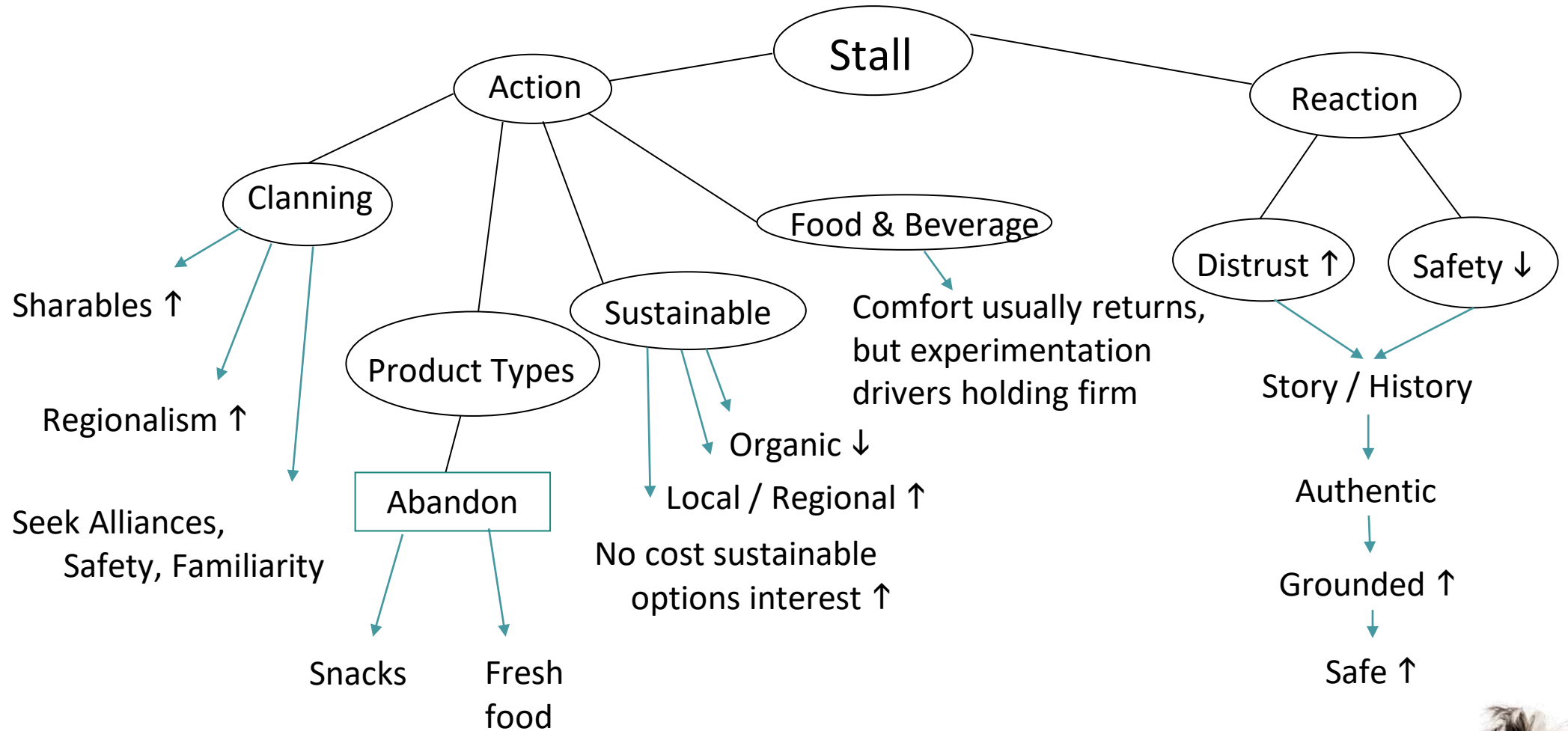
- Sustainability spending ↓
- Comfort food ↑
- Health spending ↓
- Snacking ↑ (finances, stress)
- Retail ↑, private label ↑
- Vegetarians ↑

## Post Covid Behavior

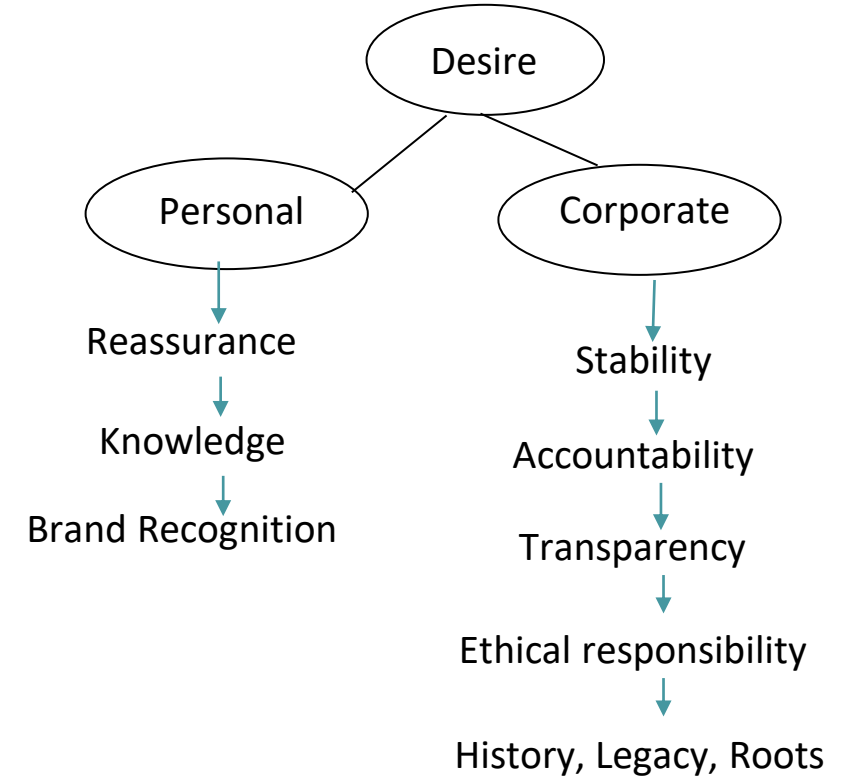
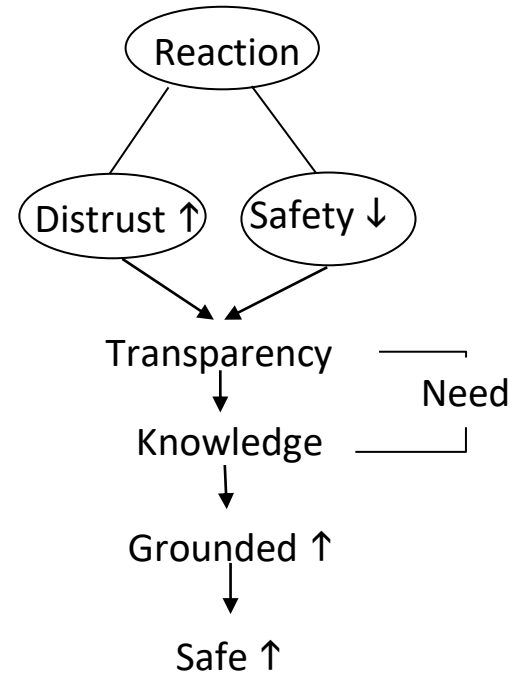
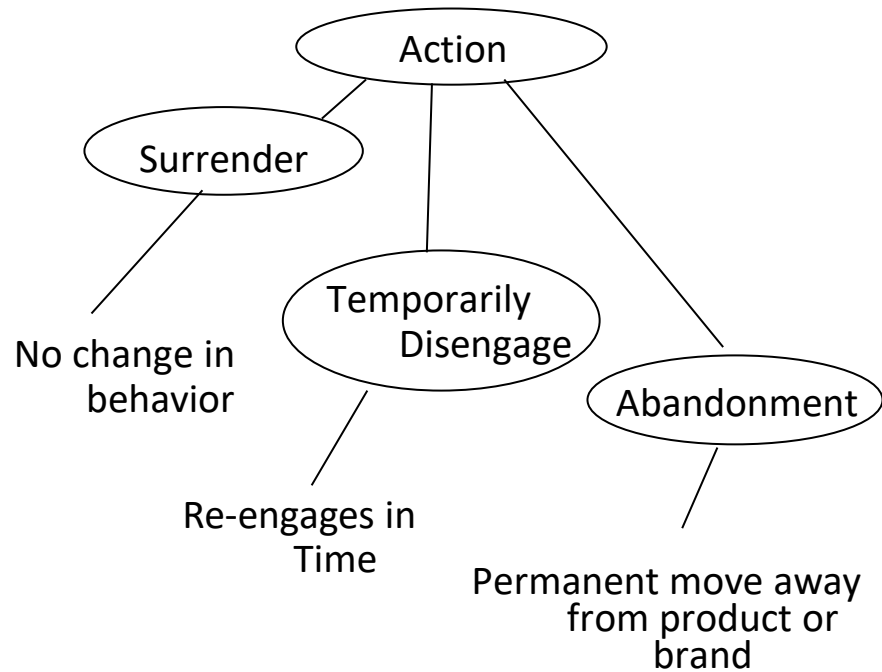
- Sustainability spending slows but still ↑
- Flavor exploration ↑
- Health spending ↑
- Snacking ↑ (finances)
- Retail ↑, private label ↑
- Vegetarians ↑



# Inflation Effect



# Behavior During Crisis: Pathways



# Consumer Spending Tailwinds

Factor	Inflation
Reaction	*Eat / Cook at Home ↑ *Home Entertaining ↑ *Brown Bagging ↑
Action	*Private Label ↑ *Snacks replace Meals *Trading down: Products & Brands
Need	* Convenience vs. Bargain *Reward *Knowledge *Ally

- Slickdeals, OnePoll: 38% of adults decreased impulse spending
- Circana: 46% are cutting back on non-essentials
- Advantage: 55% are opting for more budget-friendly options, 52% switch to lower-priced brands



# Consumers: Psychological Drivers



**Flavor Discovery**

Seeking new, exciting flavors

**LTOs**

Drives consumers to choose one brand over another

**Personalization  
& Promotions**

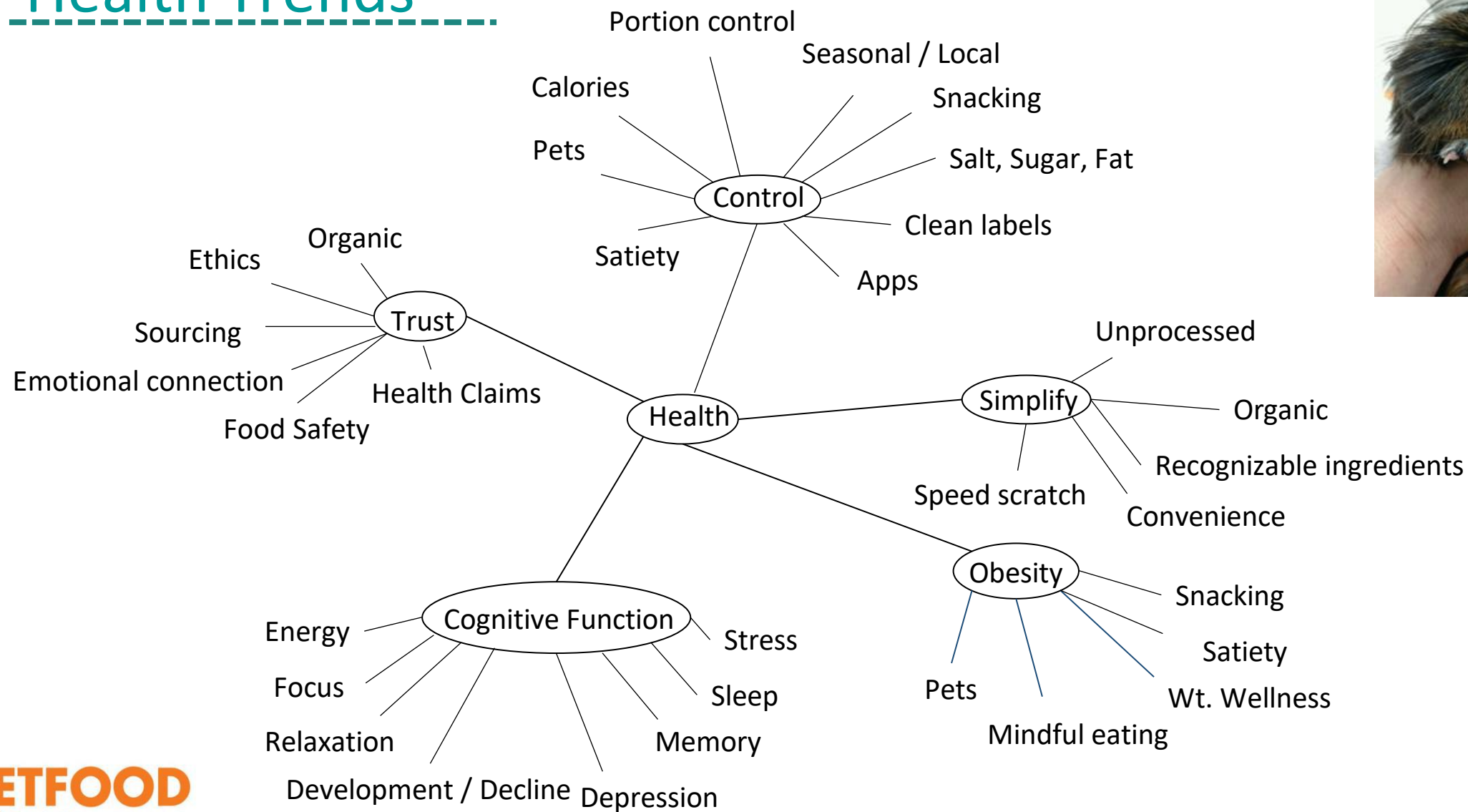
Are themselves a reward

- **ADM**: 73% express a liking for limited-edition flavors

# Health Horizons



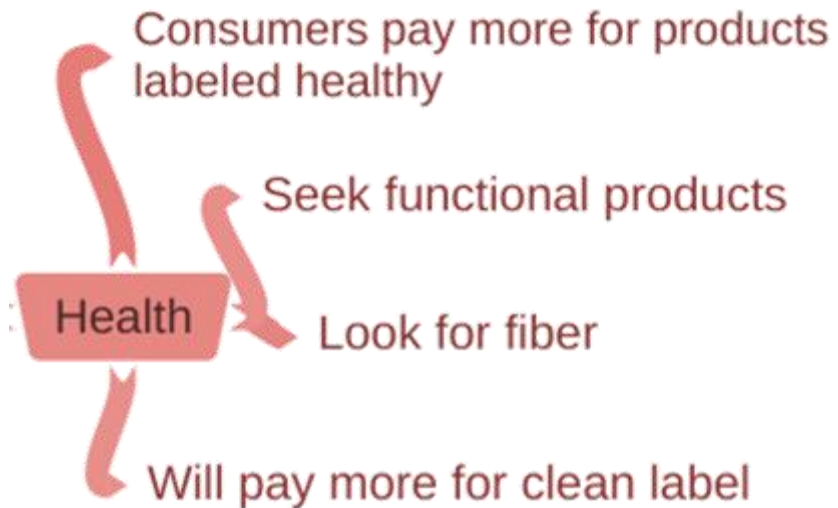
# Health Trends



# Health

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- Consumers interested in products that have functional benefit
- Seek functional products
- Consumers would pay more for clean label



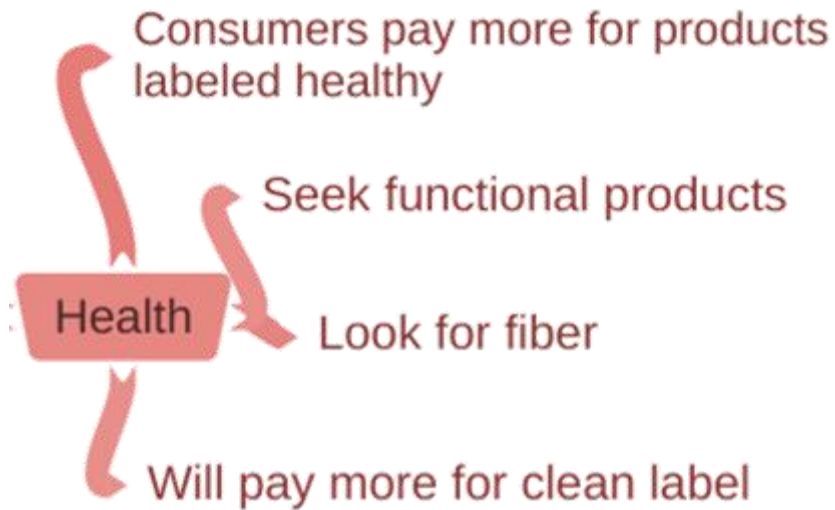
## Health

- IFIC: To save money, 47% often or always cut back on nonessential food / beverages, 56% would pay more for product labeled healthy
- Innova: 47% are interested in products to support their functional needs
- IFIC: 61% of respondents were trying to consume more fiber
- Beneo: 80% consider their pet's health to be as important as their own
- Ingredion: 78% of consumers will pay more for clean label, natural claims, 29% in looking for products with no artificial ingredients



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# Market Examples

## Recognizable Ingredients



## Obesity



## Cognitive Function

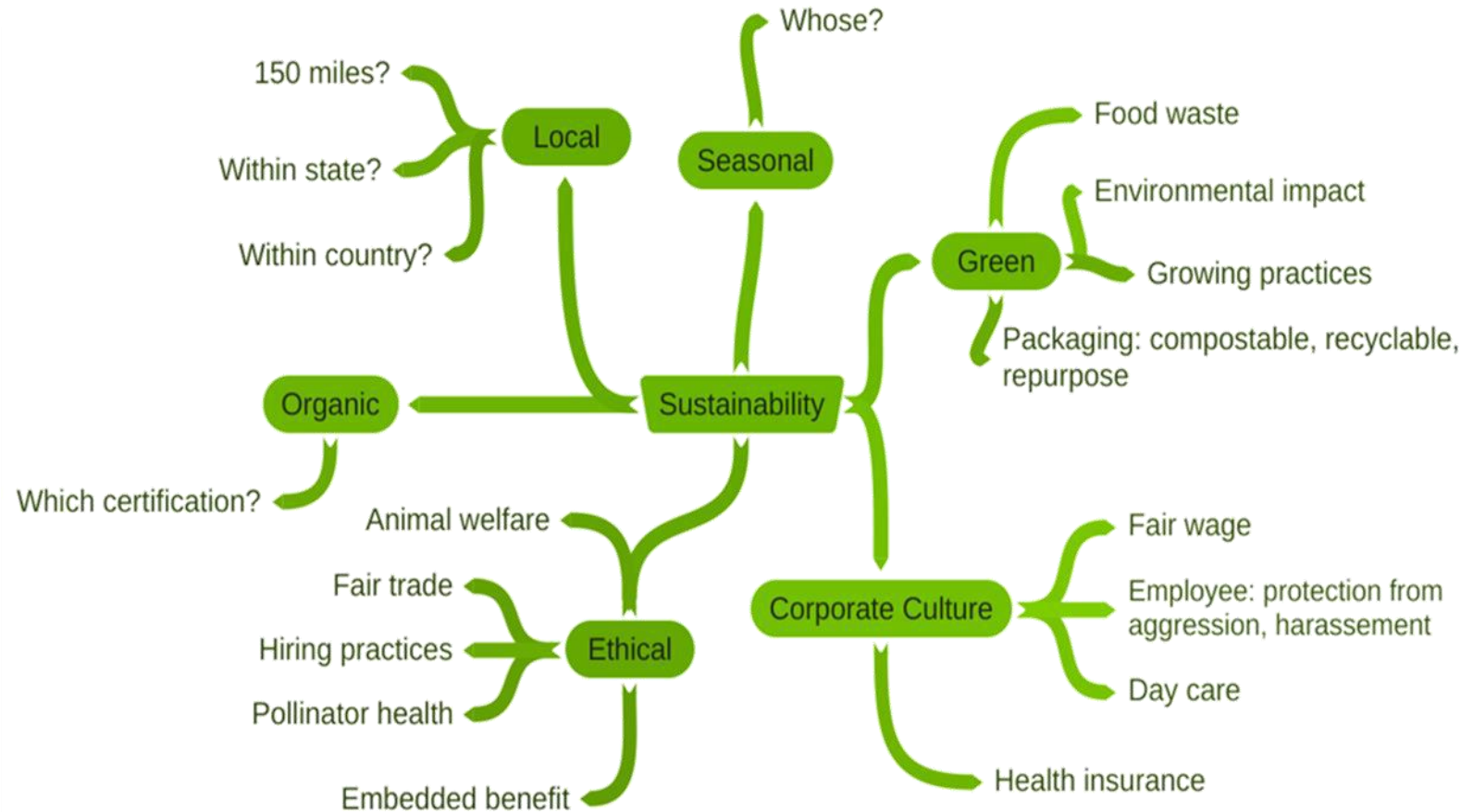




## Sustainability Drivers



# Sustainability Landscape



**Acosta:** For non-natural and organic shoppers, 73% list price as the primary barrier to purchase, 47% say that conventional products are “more practical”, 44% express skepticism about the “hype” around the products

**Beneo:** 80% look for sustainability claims when choosing pet food

# Sustainability Ignorance

- 25% of consumers cannot articulate what makes a product sustainable
- 60% don't know what Carbon Neutral means
- 58% couldn't identify a renewable resource from mixed list
- Most don't know how to identify sustainable company



## Sustainability Ignorance

- **Morning Consult:** 80% were familiar with the term "renewable resources," 58% could accurately identify a renewable resource, 25% don't know what makes a food or beverage product sustainable
- **Morning Consult:** 60% either don't know what the term "carbon neutral" means or incorrectly define it
- **PDI Tech:** 68% will pay more for sustainable products, 79% want to buy from brands that are environmentally friendly, most don't know how to identify companies
- **PDG Insights:** 28% say "local" means product is made within their immediate city or town, 20% - production within 50 miles, 22% - must be made in-state

# Empowering Consumers / B2B Clients



## Sustainable Brands, Ipsos:

- 70% believe they can influence companies to do better by buying from them
- 85% are loyal to brands that help them achieve a better & more balanced life
- 77% agree solving environmental issues will require solving social issues

## Out

- Generic “green” label statements
- Marketing how a sustainability practice helps your company
- Promoting how your company’s sustainability efforts helps the environment / community



## IN

- Explain **why** product has green claim on label – educate the consumer
- Marketing **how** a sustainability practice helps the consumer
- **Empower** consumers – give them the control over bettering their environment / community by using your products

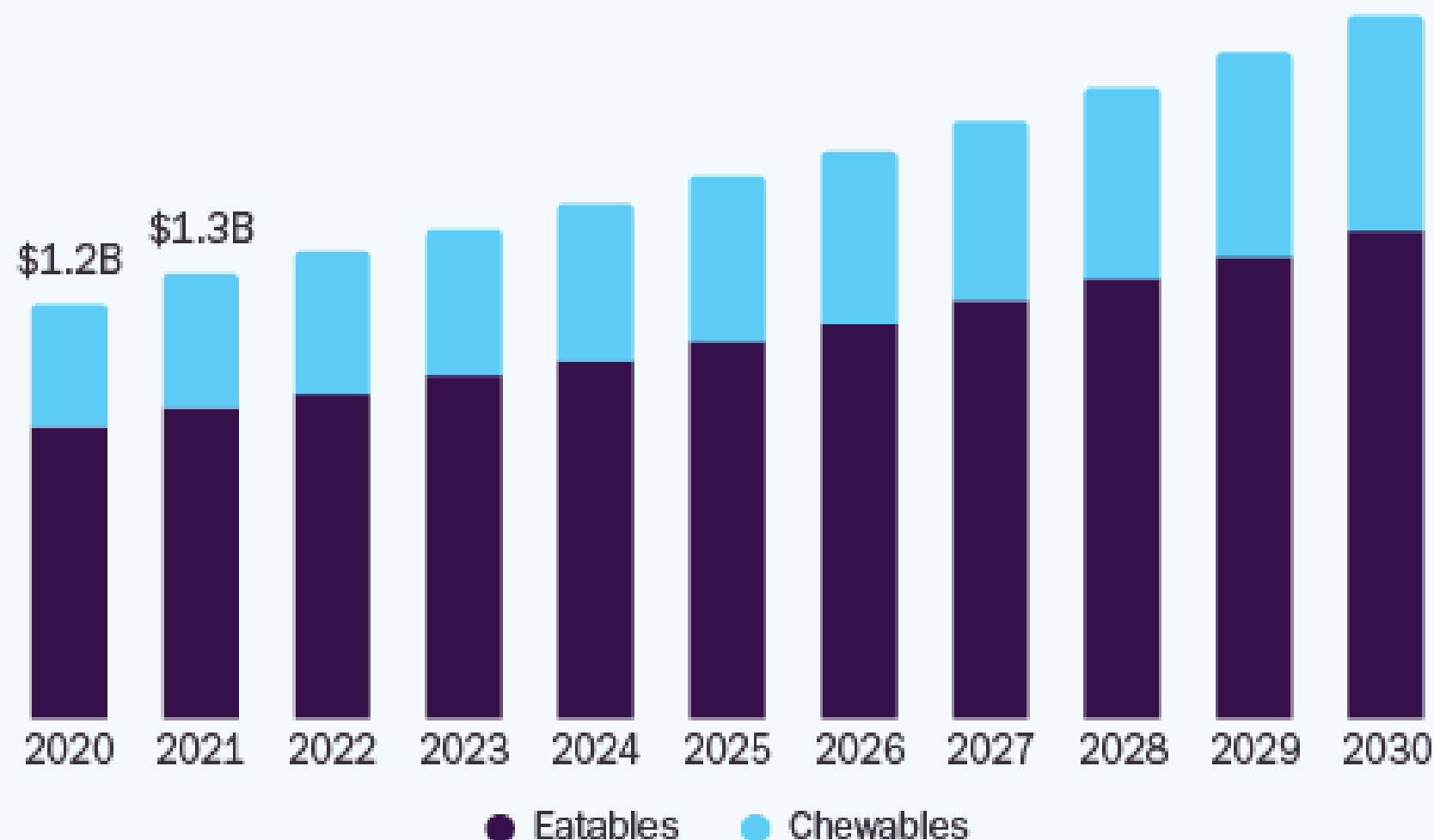
- You are not the HERO in consumers / clients’ lives... You are the GUIDE
- Consumers / clients are the HERO in their own lives... you guide them to become the HERO by buying your products

# Snacking



# U.S. Pet Snacks & Treats Market

Size, by Product, 2020 - 2030 (USD Billion)



GRAND VIEW RESEARCH

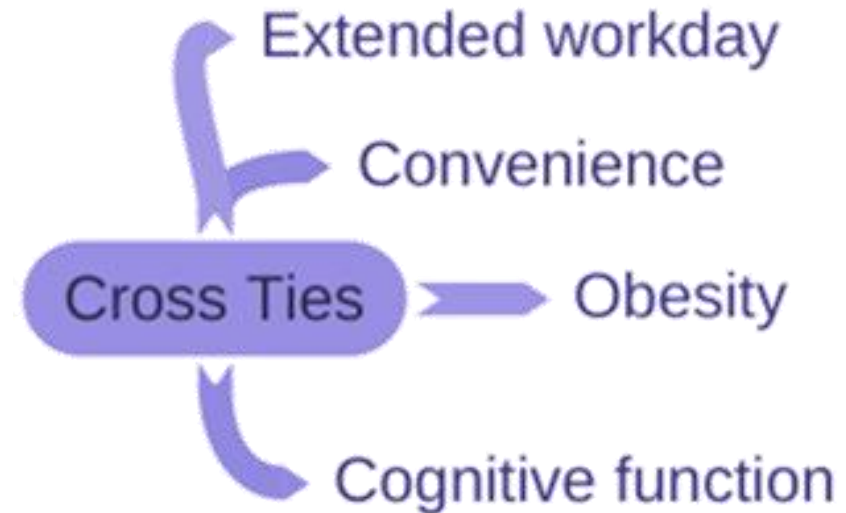
## 5.3%

U.S. Market CAGR,  
2023 - 2030

Source:  
[www.grandviewresearch.com](http://www.grandviewresearch.com)

# Snacking: Birth & Allies

*Birth Pattern: Fusion*



# Snacking: Drivers Decoded

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## Consumers

- **Hartman:** 91% of consumers snack multiple times each day
- **IRI:** 65% of consumers want an energy boost from snacks
- **Crispy Green:** 42% embarrassed by snacking habits, 64% felt less guilty if they snacked on something healthy
- **Mintel:** 23% of pet owners look for products with limited ingredients lists

## Pets

- Pets snack throughout the day
- Pet owners look for functional snacks
- Pet owners seek guilt free snack for pets
- Pet products with simple ingredient decs



# Consumers: Skipping Meals



- Consumers skip meals due to financial reasons
- Retail and convenience stores are your biggest competitor

## Skipping Meals

- Acosta: 32% often snack as a meal
- Dunnhumby: 36% of U.S. families have skipped meals due to financial reasons in the last year, 30% of all Americans reporting they have skipped meals
- Del Monte: many adults, especially parents (80% of parents vs. two-thirds of non-parents), frequently substitute meals with snacks



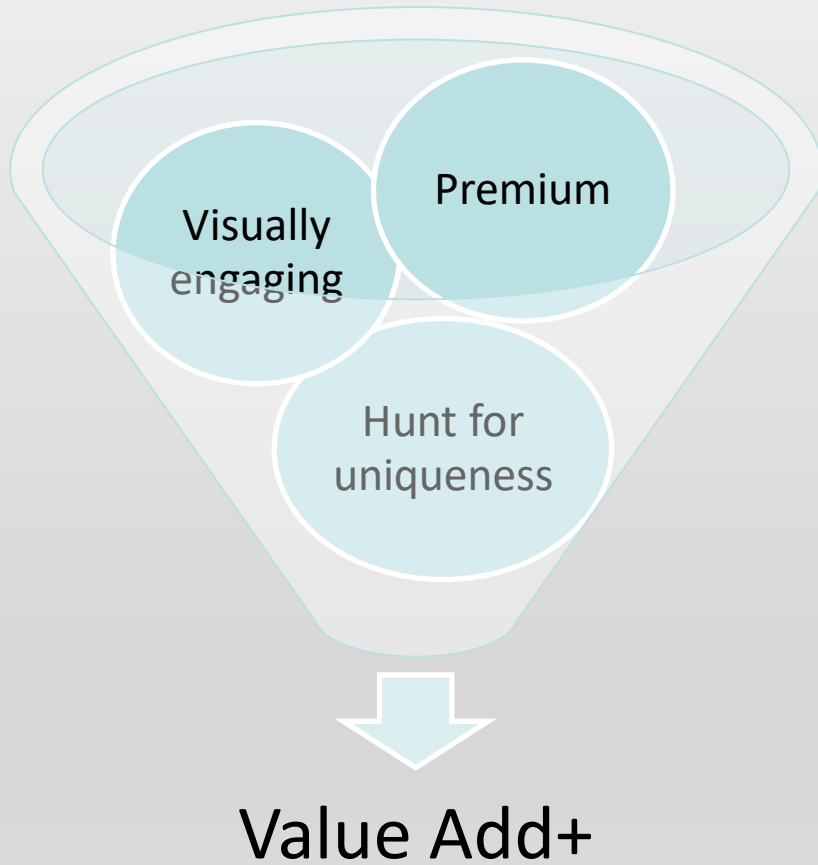
**Are pet snacks used to replace meals?**

Value Added

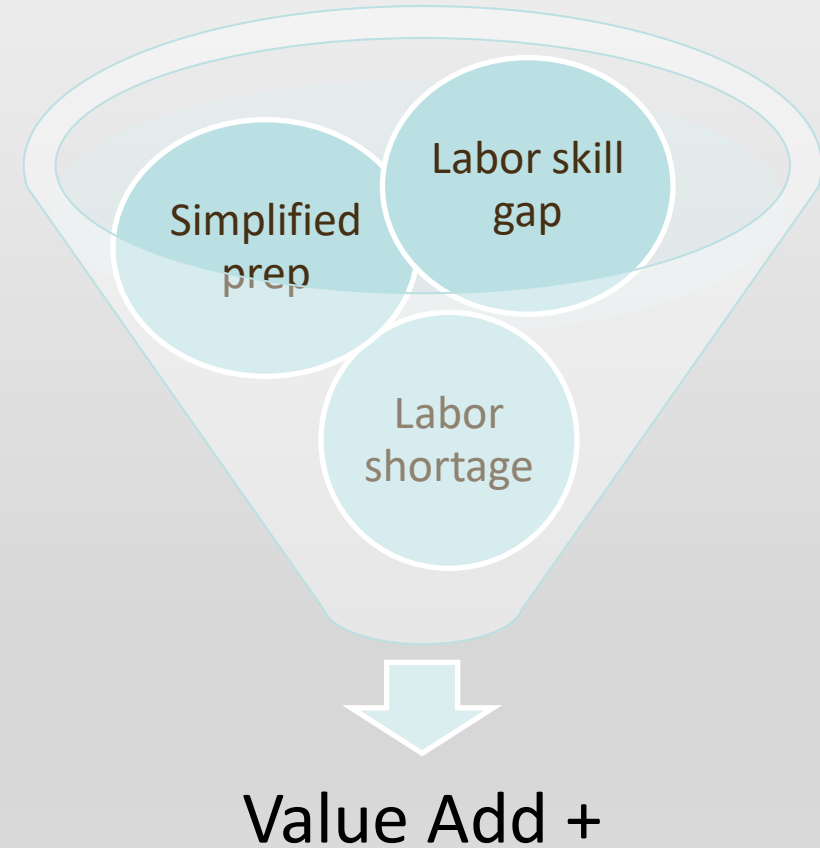


# Value Added Drivers

## Consumers



## Manufacturers



# Gap Analysis: Value Add - Snacks

## Current State

- \*Snacks often play the role of best friend, not leading lady
- \*Majority are seen as a filler between meals
- \*Few products showcase a memorable personality
- \*Snacks positioned as an afterthought

## Gap

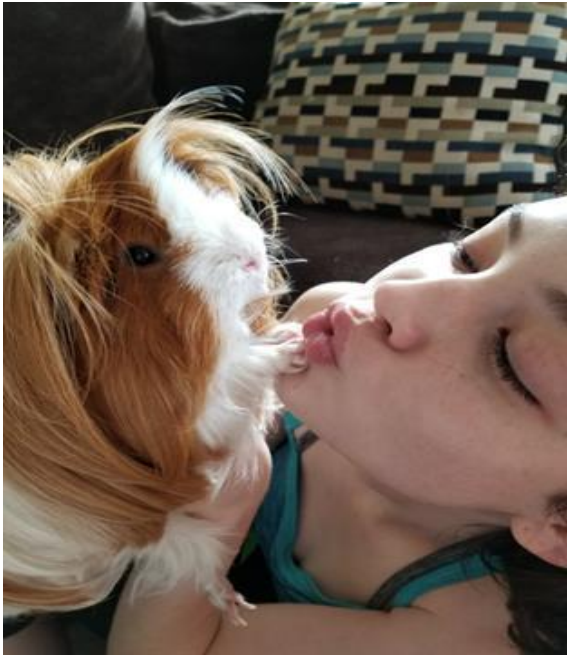
- \*Producers lack snack products with dual personality: health + Indulgence
- \*Value added snacks are well supported, however few brands promote them
- \*Snacks don't engage trends
- \*Snack options are often one dimensional

## Desired State

- \*Snacks move to leading lady role as value add to brand
- \*Snacks become indispensable in pet's life
- \*Snacks repositioned as value add to pet's well being to increase usage & engage consumers
- \*Value added snacks inspire & complement trend forward product ideas




# How to Communicate Value Added



## **Tone/Voice: Drivers**

- Adventure & excitement through taste
- Thrilling comfort (comfort flavors with spice)
- Healthy
- Rewarding
- Tied to global region (cultural ties)
- Heritage (taste & experience history)
- Nostalgia (tied to time & place in history)
- Newstalgia (nostalgic flavors with updated twist)
- Textural (more & broader array of textures)
- Visually engaging (colors, garnishes)
- Wake up senses (smoked, blistered, aged)
- Boldly unsweet (seasonal ingredients, flavors)



A person's hands are shown holding a bright, glowing sun. The sun is positioned between the palms, creating a lens flare effect. The background is a soft, hazy sunset or sunrise sky with warm orange and yellow tones. The person's arms are visible, wearing a blue long-sleeved shirt with white stripes on the cuffs. The overall mood is hopeful and aspirational.

Create:  
**THE FUTURE**

# Flavor Drivers

- **Flavor is still a stronger driver than health**
- **Consumers seek same in pet food**



<b>Frito-Lay, Morning Consult</b>	75% are willing to try new styles of snacks and unfamiliar flavors, 68% prefer flavor options
<b>Innova</b>	63% of millennials are interested in options featuring more intense flavors, intriguing textures
<b>Puratos</b>	69%, are seeking nostalgic and familiar culinary experiences, 64% are exploring new food presentations and experiences
<b>Datassential</b>	53% are interested in seeing more globally inspired food and beverage

# Snacking

## Future Pathways



### Ah Ha Moment

Snacking annexes all dayparts: breakfast, lunch, & dinner.



### Navigation (What to do about it)

- Food and beverage items can partner with snacking by providing snack-sized options.
- Extend snack concepts to different meal times: breakfast, lunch, and dinner.
- Offer a combination of indulgent and healthful choices to cater to a wide range of consumers and enable them to feel in charge of their diet.
- Include accessible, global snack items or components in the offerings while maintaining authenticity.
- Prioritize guilt-free options for pet owners.

### Forecasts

#### Breaking Waves (6 mo)

- Snacking increases as consumers replace meals with snacks to save money.
- Healthy snacking loses ground to indulgent reward & stress drivers.
- Due to Inflation, pet owners seek snacks with widest appeal to all pets.
- Cost conscious snacks rise as budget trumps convenience.

#### Blue Ocean (2 yr)

- Healthful snacking makes a comeback as inflation is resolved.
- Fresh/refrigerated snacks increase in popularity as the economy improves.
- Snacking habits fluctuate in line with the levels of stress and fear resulting from inflation.

### Inflation, US Political Unrest, International Military Conflict Impact

- Stressors arising from inflation, US Political Unrest, and International Military Conflict promote heightened snacking.
- Inflation drives pet owners towards budget-friendly snacks, where affordability outweighs convenience.

## Final Thoughts

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- ✓ Know the birth and lifecycle of a trend prior to deciding to enter so you can foretell how to navigate it
- ✓ Neither love nor hate a trend – emotions will fog the trend's true pattern and you may be blindsided when it shifts
- ✓ Spend more time researching a trend's personality and trajectory than worrying about what your competitors are doing – after all, they may be idiots



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