

Candy and Snack Food in the U.S.



A Trend Report for
Swedish Suppliers

Consumption Trends

01

CULTURAL NICHE

According to the U.S. Census Bureau, the Hispanic population in the U.S. will exceed 100 million by 2050, and these segments tend to consume snacks and candy more frequently than others. Food producers can tap into this potential market by harnessing flavors and products that are popular in Mexico and Latin America, such as non-chocolate chewy candy and spicy snacks.

02

MILLENNIALS

Millennial consumers have contributed to the majority of recent growth in snack and candy consumption. Food producers should work on product innovation and marketing to harness this demographic by focusing on healthful consumption, brand story, as well as the snacking segments preferred by millennials such as fruit snacks, breakfast bars, tortilla chips, chewy candy, and chocolate.



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TASTE FIRST

No matter how healthy/beneficial a food product is, consumers will always be concerned first and foremost with taste. Manufacturers in the candy and snack industry in the U.S. should ensure that their products taste good, or at least appeal to the taste preferences of a proven demographic.



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SEASONAL OFFERINGS

Snack and candy sales in the U.S. increase significantly around major holidays such as Halloween and Christmas. Food manufacturers can make use of this phenomenon by innovating for major holidays and incorporating seasonal recipes and designs. Most major players do this regularly throughout the year.

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PRICE POINT

The snack and candy markets are highly concentrated in the U.S., making it difficult for new entrants to compete on price. To address this issue, Swedish producers can position themselves as premium brands, paving the way for higher-priced products.



Sweets & Snacks Report

Snack Sales 2017 +3.0%

U.S. Snack Industry \$42B

% Growth*

Portable Protein

Cheese Snacks	+14.9%
Jerky	+4.0%
Meat Snacks	+5.6%

Convenience

Ready-To-Eat Popcorn	+5.3%
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Other top growing areas

Low/less fat	+\$206M
Low sodium/salt	+\$111M
Vegan/vegetarian	+\$49.8M

	Overall Growth	Millenials	Boomers
More protein	54%	60%	46%
Less sugar	53%	43%	62%
Fewer calories	46%	27%	54%
More fiber	43%	39%	49%

Ingredients Trend & Innovation



01 **CLEAN EATING**

One key characteristic that brands are promoting is the few ingredients used to create their products – even in candy products. The avoidance of chemicals, artificial flavoring, and unhealthy ingredients is a selling point for the health-conscious consumer of 2018. It's not unusual to see a manufacturer advertise the few number of ingredients on the front label of a product, as a way to differentiate from competing offerings.

02 **FUNCTIONAL BENEFITS**

Particularly with snack products, food producers are highlighting the functional benefits of key ingredients within their offerings. No longer are successful products simply “free from” unhealthy ingredients, but many are incorporating functional ingredients such as cauliflower, advertising that their products “help with” digestive health, for example. Snacking is no longer being seen as just a vice, and instead is being framed a healthy way to fuel the body – provided that the right products are consumed.

03 **VEGANISM**

According to GlobalData, the number of people in the U.S. who identify as vegan has jumped 600% between 2014 and 2017, with an estimated 6% of the American population claiming to follow a vegan diet. Food producers must meet the demands of this population that is both its increasing plant-based consumption as well as frequency of snacking. Large, steady increases indicate that the rise of veganism and vegetarianism in the U.S. may be a largescale shift in diet preferences, rather than just a temporary trend.

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PROTEIN

In line with the promotion of functional benefits and the rise of snacking in the U.S., food producers are incorporating greater amounts of protein into their offerings than ever before. Highlighting snack products and candies as “filling” and “protein-rich” highlights the growing importance of snacking in the American diet as a potential replacement for traditional meals.

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ORGANIC

Particularly in the specialty snack market, a large proportion of successful emerging brands are organic. Obtaining organic certification for a product may not make it stand out, but will allow it to sit on an even playing field with many other major snack brands.

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CORN ALTERNATIVES

Food producers are increasingly relying on corn alternatives in their products, such as peas. Corn alternatives allow manufacturers to highlight more healthful core ingredients, allowing them to stand out in certain corn-dominated categories, such as the snack puff category.

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TRENDY INGREDIENTS

So-called “trendy,” healthful ingredients such as beets and avocado are becoming much more commonplace on the snack and candy shelf. For example, chocolate bark manufacturers are incorporating quinoa into their offerings to add to both the texture and the health of their products. Food producers can market these trendy ingredients in product packaging.



Branding Trends

01

FEMALE LEADERSHIP

Women founders are increasingly celebrated in the food industry, and women-owned businesses should ensure that they receive the appropriate certification to share this information with consumers. Certification can be obtained through the Women's Business Enterprise National Council (WBENC), however, a U.S. entity may be required. Certified businesses can display the "Women Owned" logo on product packaging.

02

COMMUNITY ENGAGEMENT

Successful manufacturers focus on engaging with their local communities through charitable activities. Swedish food manufacturers can stand out by making an effort to positively impact the communities in which their offices or manufacturing facilities are located. In addition to engaging the local labor force, food producers can offer student scholarships, donate products to local organizations, or make other charitable donations.



03

LOCAL & AUTHENTIC SOURCING

Some customers are demanding sustainable sourcing and local ingredients. If it is within a manufacturer's capabilities, a focus on local ingredients and ethical sourcing could provide a marketable edge within the industry. Companies that produce with respect to their personal values and, as previously mentioned, dedicate themselves to their local communities can foster goodwill with current and potential customers.



04

RISE OF PRIVATE LABEL

Private label snack and candy consumption in the U.S. is much lower than in European countries, but the entrance of major grocery retailers such as Aldi have increased such consumption. Private label products are expected to increasingly impact the market due to their pricing advantage and survey data indicating that millennial consumers are more open to purchasing store-brand goods than previous generations. Food producers can stand out by evaluating the shopping patterns of private label consumers and reaching out to consumers frequently and early to build brand loyalty.

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BRAND HISTORY

The "Swedish brand" is highly marketable in the U.S., and Swedish food producers can use their brand's Scandinavian roots to set themselves apart from similar products. Highlighting Swedish traditions of quality, clean ingredients, sustainability, traditional flavors, and heritage can add richness to the brand.

TRY SWEDISH!



Contact us to learn more!

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References

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