



Texas Merchandise Vending Association  
*Supporting the Vending and Office Coffee Industry*

# Snacking Demographics

September 26-28, 2018



# Objective

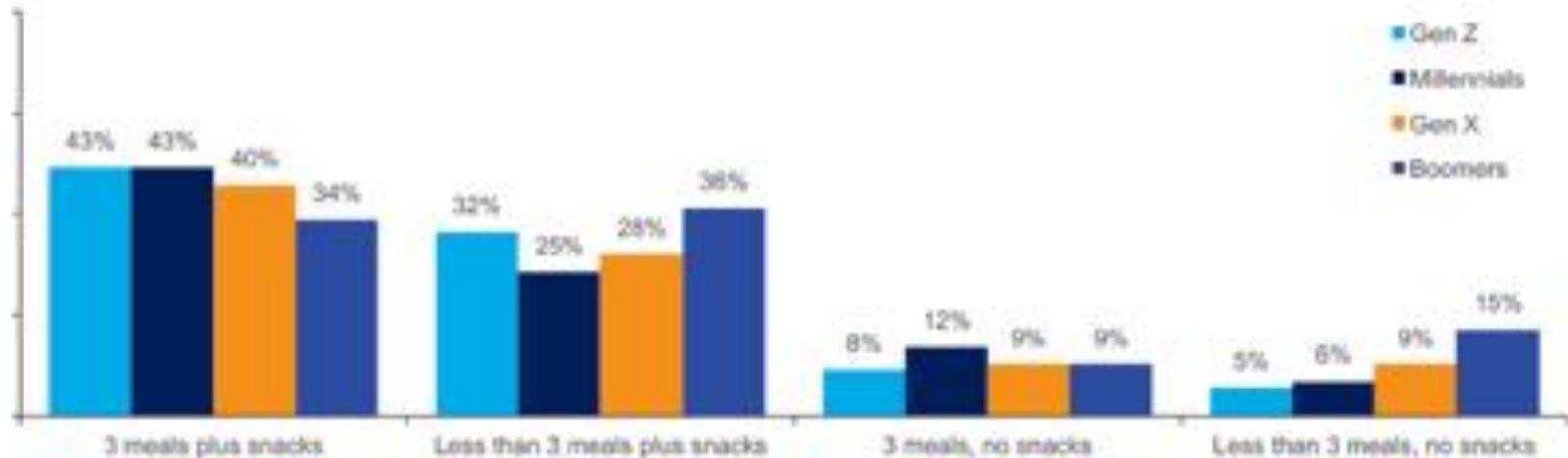
Reveal generational differences in snacking behavior, implications and how you can maximize on these differences

**“Without data, you are just another person with an opinion”.**  
**(C. Edward Deming)**

# Eating 3 meals per day is the norm for most Americans, but snacking plays a big role

The younger a person, the more likely they are to snack during a typical day

By Total: Typical eating during the day



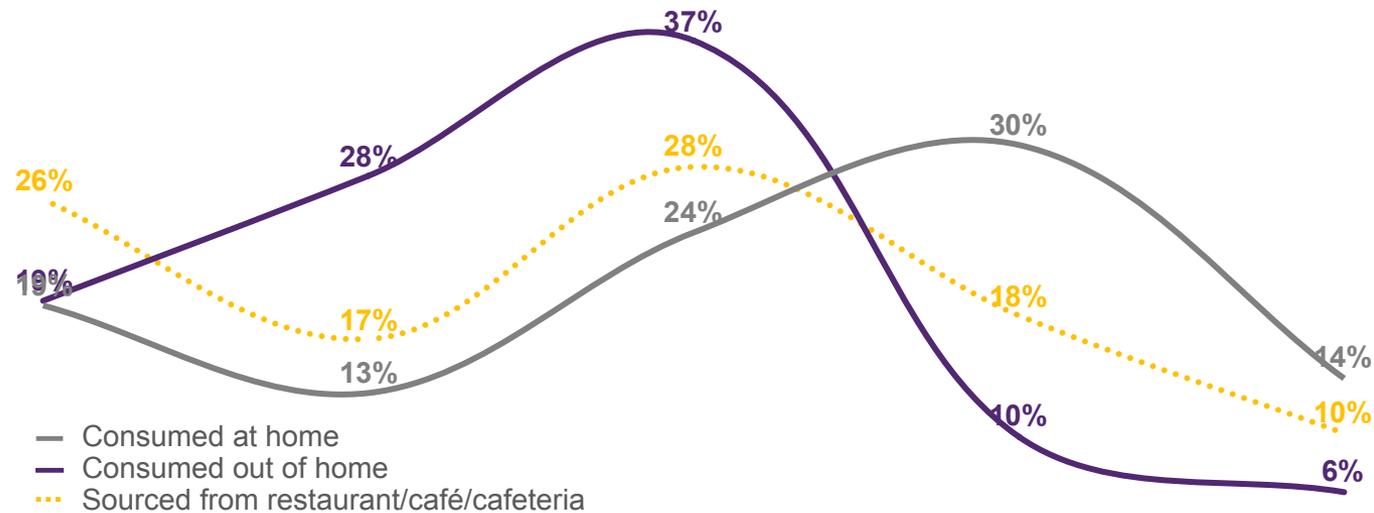
Q9. How do you typically eat during the day? Please choose one.

# Most of the snacks away from home are consumed before dinner

By comparison, snacking at home is most prevalent in the evening.

Consumers rely on food service at a greater rate when sourcing their early-morning and afternoon snacks.

**When snacks are consumed across an average day\***  
*(distribution of total snacks per location/source)*

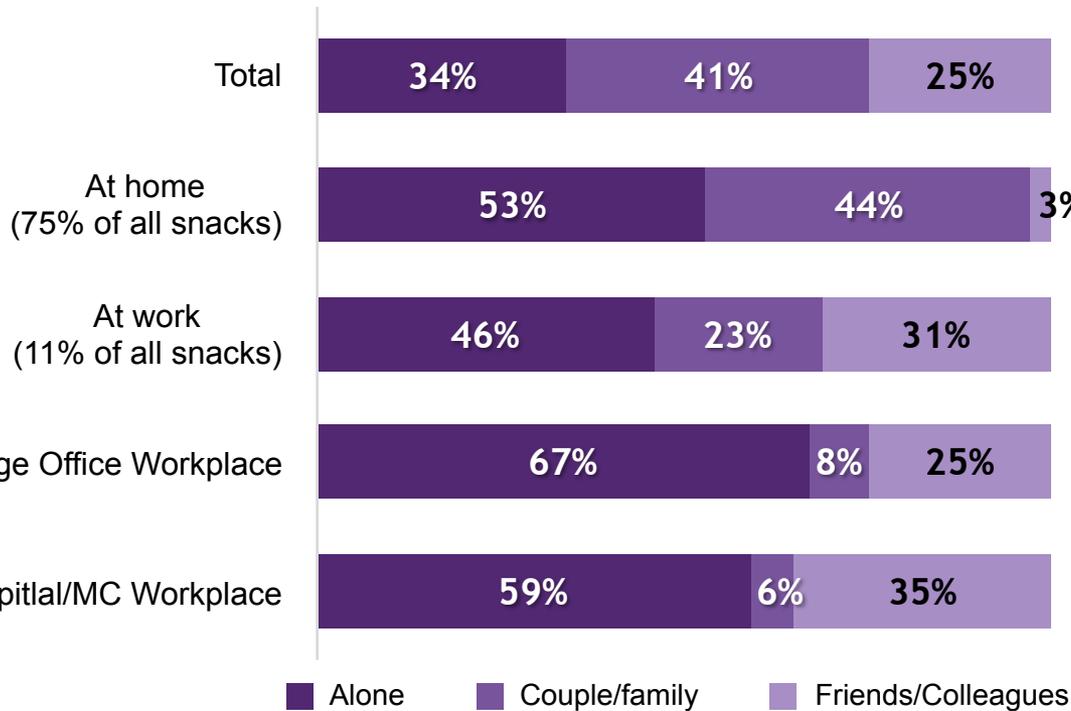


Early-morning snack    Morning snack    Afternoon snack    After-dinner snack    Late-night meal/snack



# Away-from-home snacking is more often shared, particularly with friends and coworkers

Who is present at snacking occasion, by location



The majority of at-home snacks are **eaten alone**. If the snack is a shared occasion, it is typically shared only with family.

Out of home, snacks are more **often shared** occasions (66% of all out of home snacks), most likely with friends and coworkers.



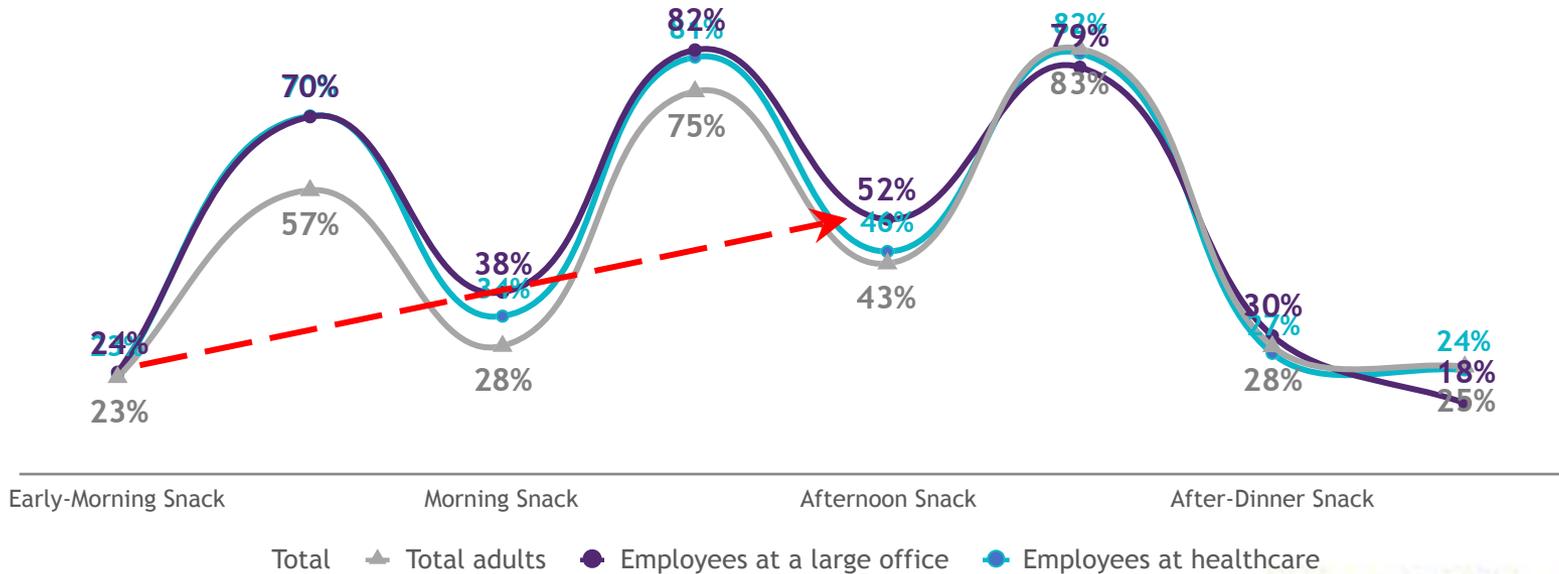
1- Source: The Hartman Group, Compass Eating Occasions database, 2016. Q: Still thinking only of your most recent snacks, please indicate who was with you during each of the snacks listed below. (Select all that apply for each row/mean). Adult snacking occasions: n=6,044; At home, n=4,756; Away from home, n=1,288.

2 - Source: Out of Home Snacking 2017. Total snacking occasions in Large Office Workplace: n=1147; Total snacking occasions in Hospital/MC workplace: n=761.

# During the workweek, snacking is most common in the afternoon

Employees in large office and healthcare workplaces eat their daytime meals more regularly yet snack at a rate similar to other adults. On an average workday, adults in **large offices** consume **2.2 snacks a day**, compared to **2.1 snacks a day** for **healthcare employees**.

Eating throughout the day across groups on an average workday



Source: Out of Home Snacking 2017. Total adults n=2236. Large office n=945. Hospital/MC n=642. Q01: Thinking back to yesterday, when did you have something to eat and/or drink?

# Generations by birth year

## Gen Z

1996-Present

## Millennials

1977-1995

## Gen X

1965-1976

## Baby Boomers

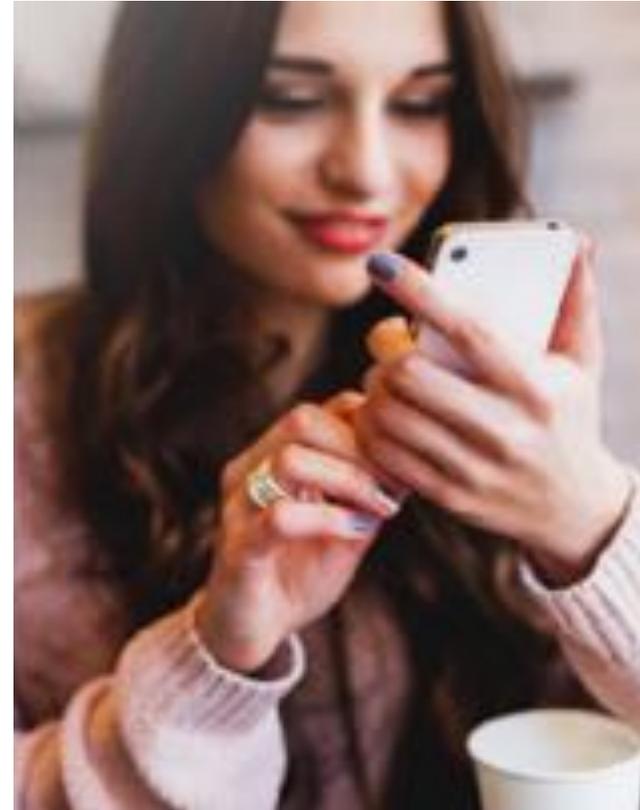
1946-1964



# Three key themes to know

The Center for Generational Kinetics has uncovered that:

- Technology is only new if you remember it the way it was before
- Millennials are not tech savvy but tech dependent
- Consumer behaviors are conditioned earlier than ever before due to autonomy and flexibility in food choices



# Top-Line Generational Purchasing Habits



**Gen Z**  
1996-Present



- Limited understanding of value in the traditional sense
- “Cash in the Cloud”



**Millennials**  
1977-1995



- Seek out value – driven by necessity
- “Credit, Credit, Credit”



**Gen X**  
1965-1976  
**Boomers**  
1946-1964



- Expect value – driven by upbringing
- “Cash is King”

# Generations have different snacking mindsets



## Gen Z

**Snacking is an extension of who they are. Generation Z is changing the rules of snacking.** They expect great flavor alongside of specified health benefits when it comes to snacking. Being inherently mobile, they expect their food to travel with them.



## Millennials

**Snacking is a status symbol** Millennials are making snacking an upscale meal replacement. They are looking for upgraded snacks with quality ingredients and function, uniqueness, and flavor all in one.

# Generations have different snacking mindsets



## Gen X

**Snacking is a reliable habit.**

Generation X is looking for snacking solutions for everyday needs. They are looking for simple, portable snacks that can satisfy anyone and snack foods that give them permission to indulge when the mood strikes.



## Boomers

**Snacking is a sign of quality.**

Baby Boomers are looking to snacks as a way to fill the gaps in their routines. They are looking to regional and legacy branded snacks as nostalgic indulgence and healthy versions of their favorite snacks to fulfill nutritional requirements.



# Generation Z

# Gen Z outnumbers millennials by some three million people, and is on the verge of adulthood

Its sheer size and spending power is garnering more interest among marketers

**86** million individuals

**27%** of the total U.S population

**\$44 billion** in buying power, and increasing with age



# Gen Z loves snacking between meals

- Snacking is a top behavior for Gen Z, as well as millennials.
  - It's important to note that snacking is in addition to eating 3 meals a day, not a meal replacement.
- Experimenting with snacking can allow brands to travel beyond the traditional breakfast, lunch, and dinner options for both trial experiences and loyalty
- Snacking presents an ideal opportunity for brands to create awareness with Gen Z because snacking requires less time and money than a traditional meal.



# Gen Z and snacking

## Fluidity



Gen Z builds snacks and meals with components; they want what they like and aren't playing by the rules of dayparts.

## Discovery



Gen Z'ers embrace ethnic flavors and are helping mainstream ethnic-inspired sweet and savory snacks.

## Authenticity



Gen Z expects great flavor alongside function when it comes to snacking.

## Fluidity



They expect to be able to get any type of food at any time of day.

## Fluidity



Gen Z is inherently mobile; they expect their food to be able to travel with them.

## Individuality



They are looking for plant-based snacking solutions as well as snacks that meet their personal dietary expectations.



# Millennials

# Who is the millennial generation?

Millennials are a diverse population with evolving needs and behaviors depending on their life stage.

## Millennials



- 18-34 year olds
- 23.6% of the U.S population, ~76.3 million people
- Snack food consumption demographic skews:
  - Low income < \$25K
  - All non-white races/ethnicities



## Millennials with Kids

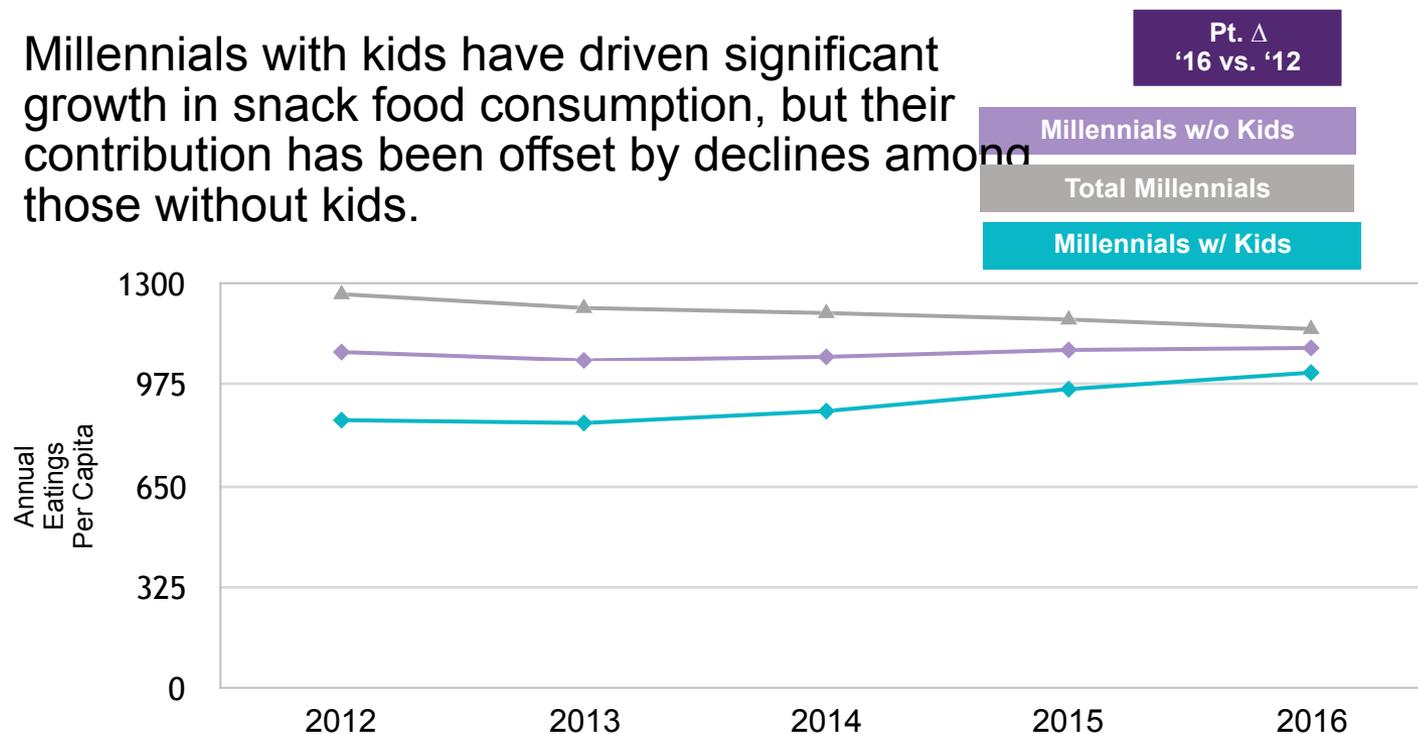
- 18-34 year olds with kids in household
- 10.3% of the U.S population, ~33.3 million people
- Snack food consumption demographic skews
  - Young kids < 6 in HH
  - Often 3 members in HH
  - African American and Hispanic

## Millennials without Kids

- 18-34 year olds without kids in household
- 13.4 of the U.S population, ~43.3 million people
- Snack food consumption demographic skews
  - Single and drinks
  - All non-white races/ethnicities

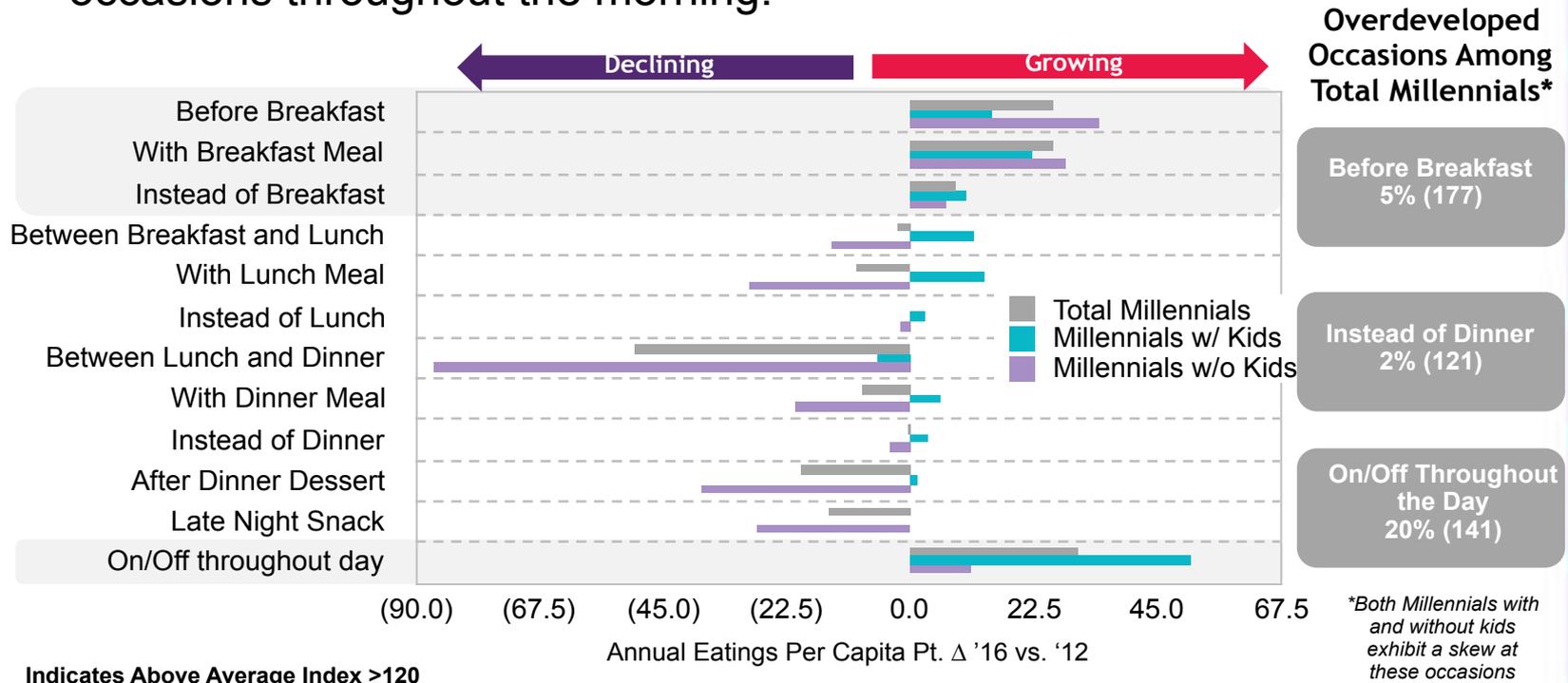
# Millennial trend in snack food consumption

Millennials with kids have driven significant growth in snack food consumption, but their contribution has been offset by declines among those without kids.



# Snack food consumption occasion trends

Millennials present a growing opportunity for snack foods at multiple occasions throughout the morning.



# Snack food consumption among millennials

Frozen snack foods, meat snacks, salsa, seeds, bars and chewy candy are popular snack foods among Millennials relative to other generations, while cookies, bars, snack cheese and frozen novelties have gained popularity.

## Millennials with Kids

## Millennials without Kids

**Among Total Millennials**  
Pt. Δ '16 vs. '12



- Frozen Snack Foods (150)
- Meat Snacks (143)
- Tortilla Chips (129)
- Salsa (129)
- Seeds (129)
- Bars (127)
- Chewy Candy (125)
- Snack Cake/Cupcake/Mini Cake (122)

- Frozen Snack Foods (158)
- Dips (150)
- Meat Snacks (143)
- Bars (139)
- Fruit Snacks (130)
- Seeds (129)
- Meal Kits (129)
- Gum (127)
- Chewy Candy (125)
- Pudding/Cups/Cheesecake Cups (125)
- Trail Mix without Fruit (125)
- Salsa (124)

Indicates Above Average Index >120

\*excludes sugarless gum



# Day part consumption trends among millennials

There are a wide variety of snack foods contributing to the growth in the morning, offering a broad opportunity to win with these younger consumers.



## Morning Occasions

**Top  
Overdeveloped  
and Growing  
Snack Foods  
Among  
Millennials by  
Day Part**

(Index to Total Individuals,  
Pt. Δ '16 vs. '12)

- Meal Kits (180, +1.4)
- Salty Snack & Dip Kits (175, +1.8)
- Frozen Snack Foods (175, +0.5)
- Brownies (167, +0.3)
- Frozen Sweets (162, +1.0)
- Dips & Salsa (160, +2.9)
- Treat Bars (160, +2.1)
- Meat Snacks (150, +2.0)
- Pudding/Cheesecake Cups (150, +1.2)
- Energy/Sports/Nutrition/Protein Bars (147, +0.3)
- Chewy Candy (146, +0.5)
- Corn Chips/Snacks (133, +2.3)
- Rice/Popcorn Cakes (133, +2.7)
- Seeds (133, +1.3)
- Potato Chips (129, +2.0)
- Cookies (127, +0.5)
- RTE Popcorn (125, +3.0)
- Trail/Snack Mix (123, +1.4)
- Cereal Breakfast Bars (122, +1.1)
- Fruit Snacks (120, +8.0)
- Pretzels (120, +1.5)

## Mid-Day Occasions



- Rice/Popcorn Cakes (150, +0.9)
- Brownies (150, +0.8)

## Evening Occasions



- Brownies (133, +0.7)

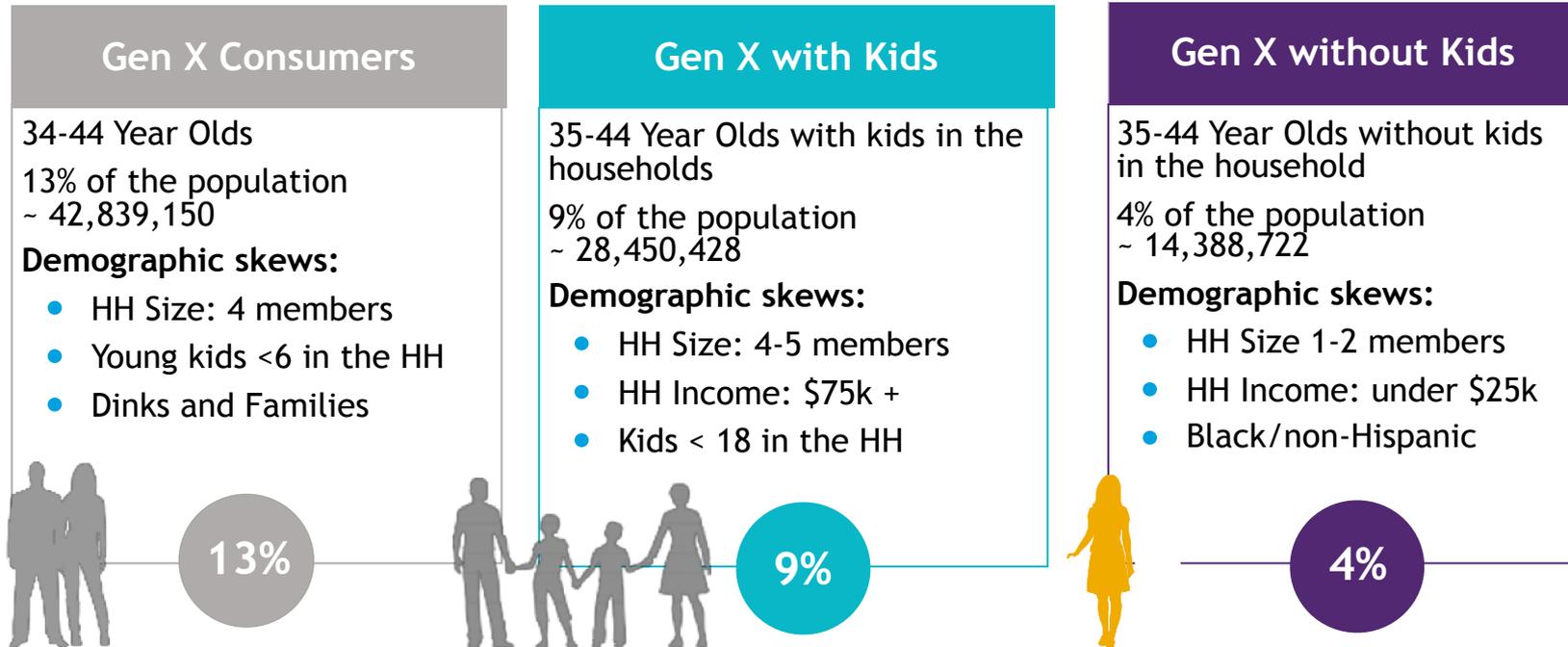
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# Generation X

# Who is Generation X?

Sandwiched between millennials and boomers, Gen X tends to be overlooked. However, they are taking in their boomer parents and making decisions for households with Gen Zs.



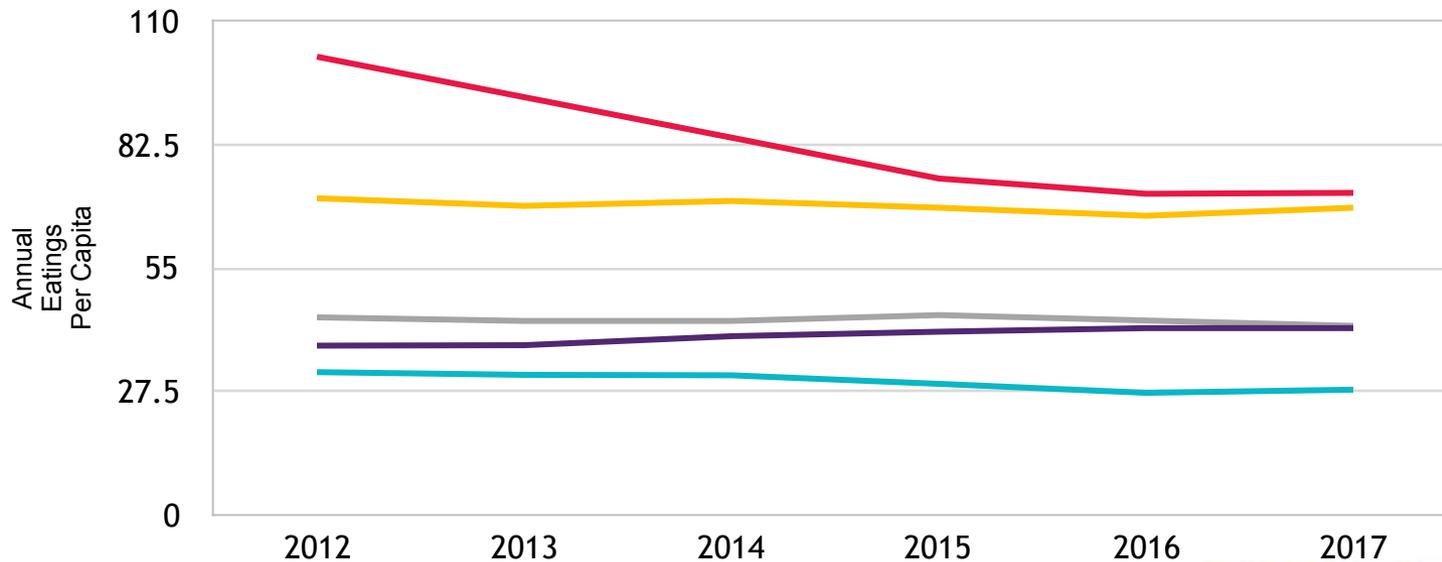
Source: The NPD Group/SnackTrack®, data for 2 years ending Sept. 2017



# Snack food category consumption among Gen X

Gen X consumption is growing with cookies while others are showing some softness

Pt. Δ '17 vs. '12	
Gum	-30.3
Chocolate Candy	-1.9
Non-Chocolate Candy	-1.9
Cookies	+3.9
Crackers	-3.9

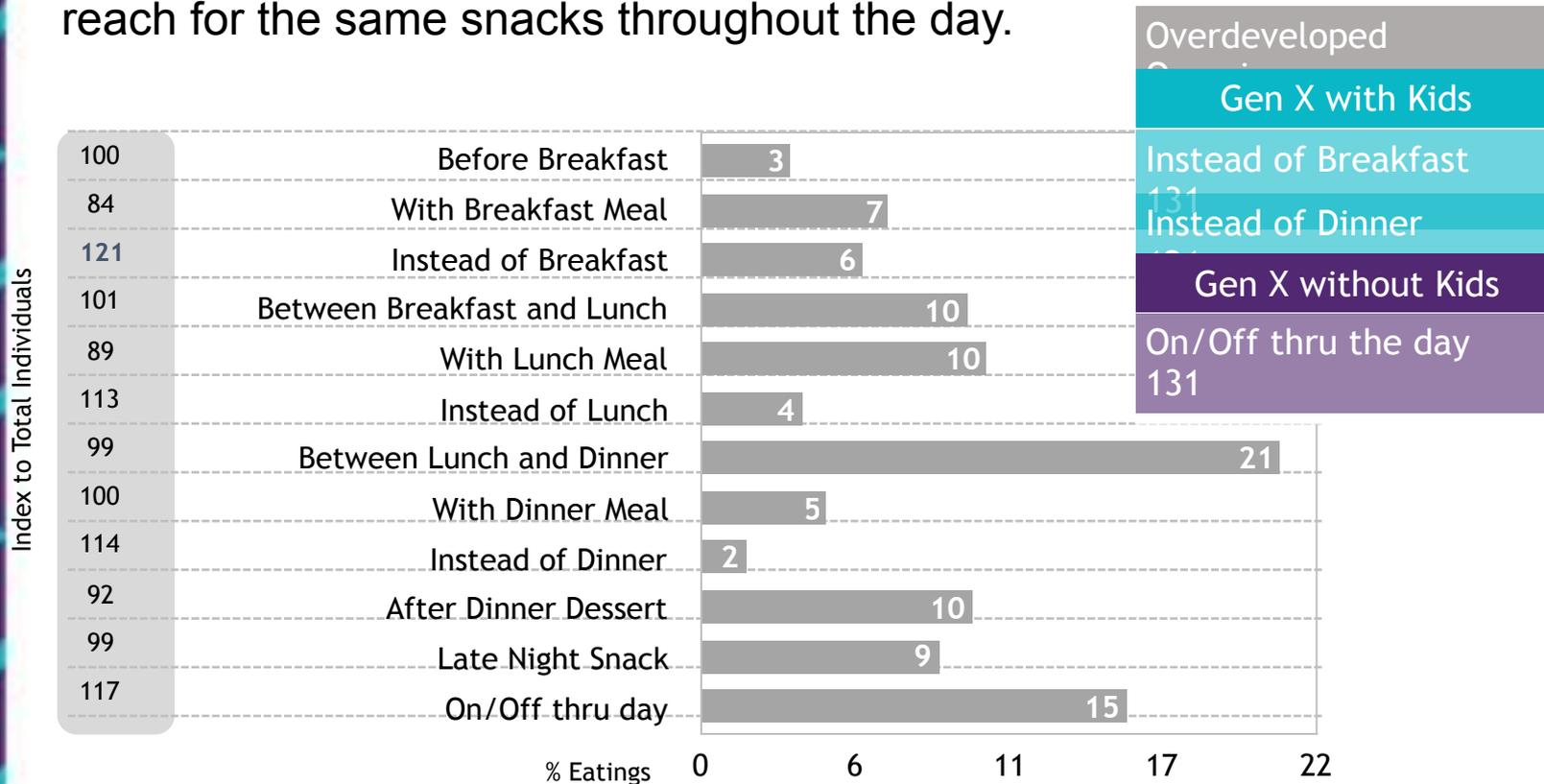


Source: The NPD Group/SnackTrack®, data for 2 years ending Sept. 2017



# Gen X snack food consumption occasions

Balancing a hectic family life, Gen Xers with kids are likely to skip breakfast and dinner and grab snack foods instead. Those without will reach for the same snacks throughout the day.

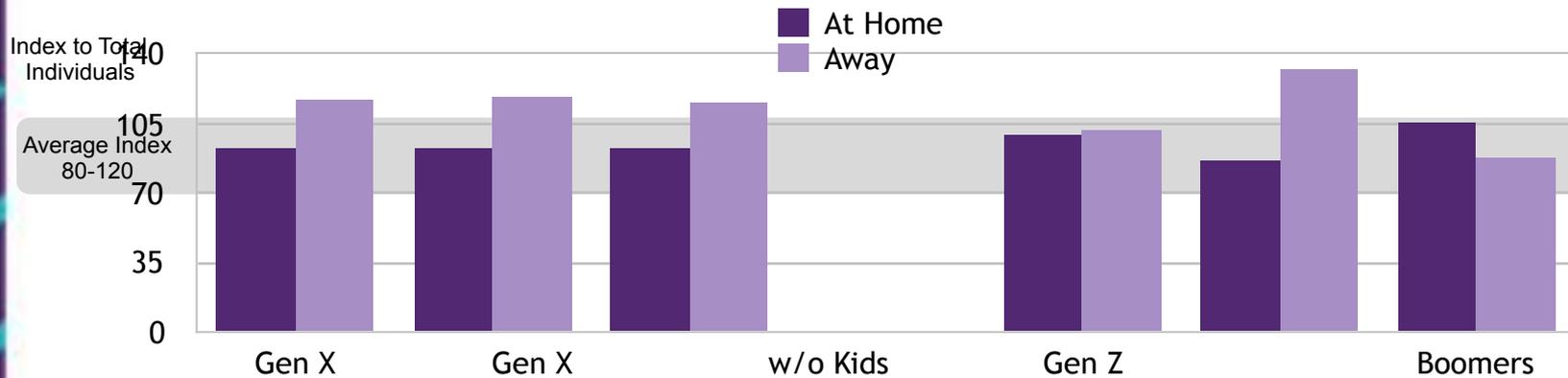


Source: The NPD Group/SnackTrack®, data for 2 years ending Sept. 2017



# Where snack foods are consumed among Gen X

Though millennials are the most likely to consume snack foods outside of the home, Gen X also exhibits similar tendencies, primarily driven by work.



## Overdeveloped Locations

(Index to Total Individuals; rank based on index)

At Work (181)

At Work (182)  
In Transit (126)

At Work (181)  
At Restaurant (122)

At School (269)  
Movie Thtr (163)  
Outdoors (152)  
Smone's Home (128)

Movie Thtr (188)  
Restaurant (156)  
At Work (147)  
Outdoors (144)  
Smone's Hom(134)  
In Transit (120)

At Work (133)

# Snack food consumption among Gen X

Gum and on-the-go meal replacements like belVita present a strong opportunity with Gen Xers with and without kids.

## Gen X with Kids

## Gen X without Kids

**Among Total Gen X**  
Pt. Δ '17 vs. '12

### Top 5 Growing Snack Foods

Donuts	+5.4
String/Cube Cheese	+4.9
Chewy Candy	+4.6
Cookies	+3.9
Fruit Cups/Applesauce	+3.9

### Top 5 Declining Snack Foods

Chewing Gum*	-27.2
Sugarless Gum	-26.3
Hard Candy	-5.0
Cereal Breakfast Bars	-3.8
Snack Cakes/Cupcakes	-3.2

\*excludes bubble and whitening

- Whitening/Oral Care Gum (200)
- Cereal Fruit Bars (200)
- Sugarless Gum (144)
- Chewing Gum\* (141)
- Salsa (139)
- Snack/Multigrain Chips (133)
- Cereal Breakfast Bars (125)
- Seeds (125)
- Meat Snacks (125)
- Tortilla Chips (123)

- Whitening/Oral Care Gum (150)
- Sweet Snack & Dip Kits (150)
- Dried Fruit (150)
- Energy/Sports/Nutrition/Protein Bars (140)
- Breath Mints/Strips (138)
- Cough Drops (138)
- Snack/Multigrain Chips (133)
- Salsa (133)
- Potato Chips (125)
- Chewing Gum\* (123)
- Sugarless Gum (122)
- Salty Snack & Dip Kits (120)

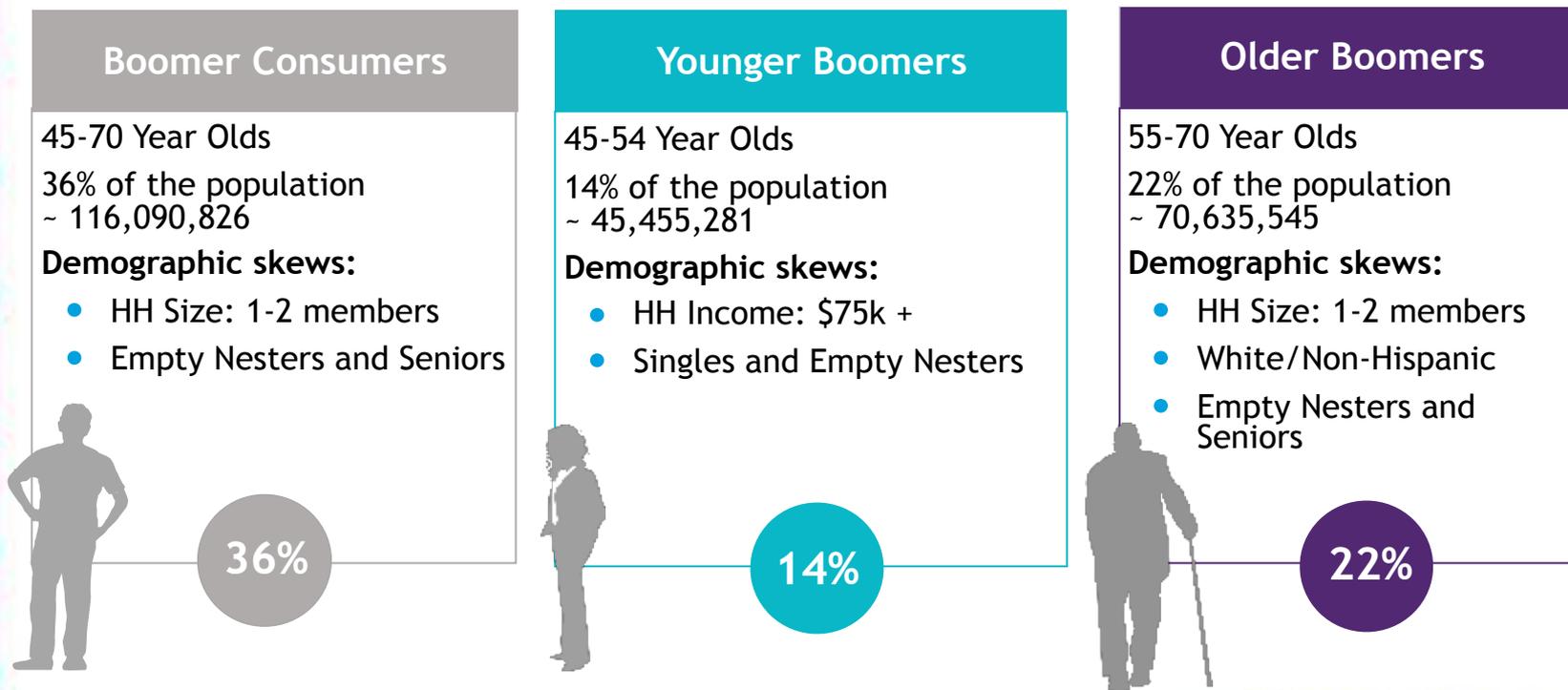
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# Boomers

# Who are boomers?

Already retired or nearing retirement, boomers are leaving the workforce and enjoying a more leisurely life style. How will this change their purchasing and consumption habits?

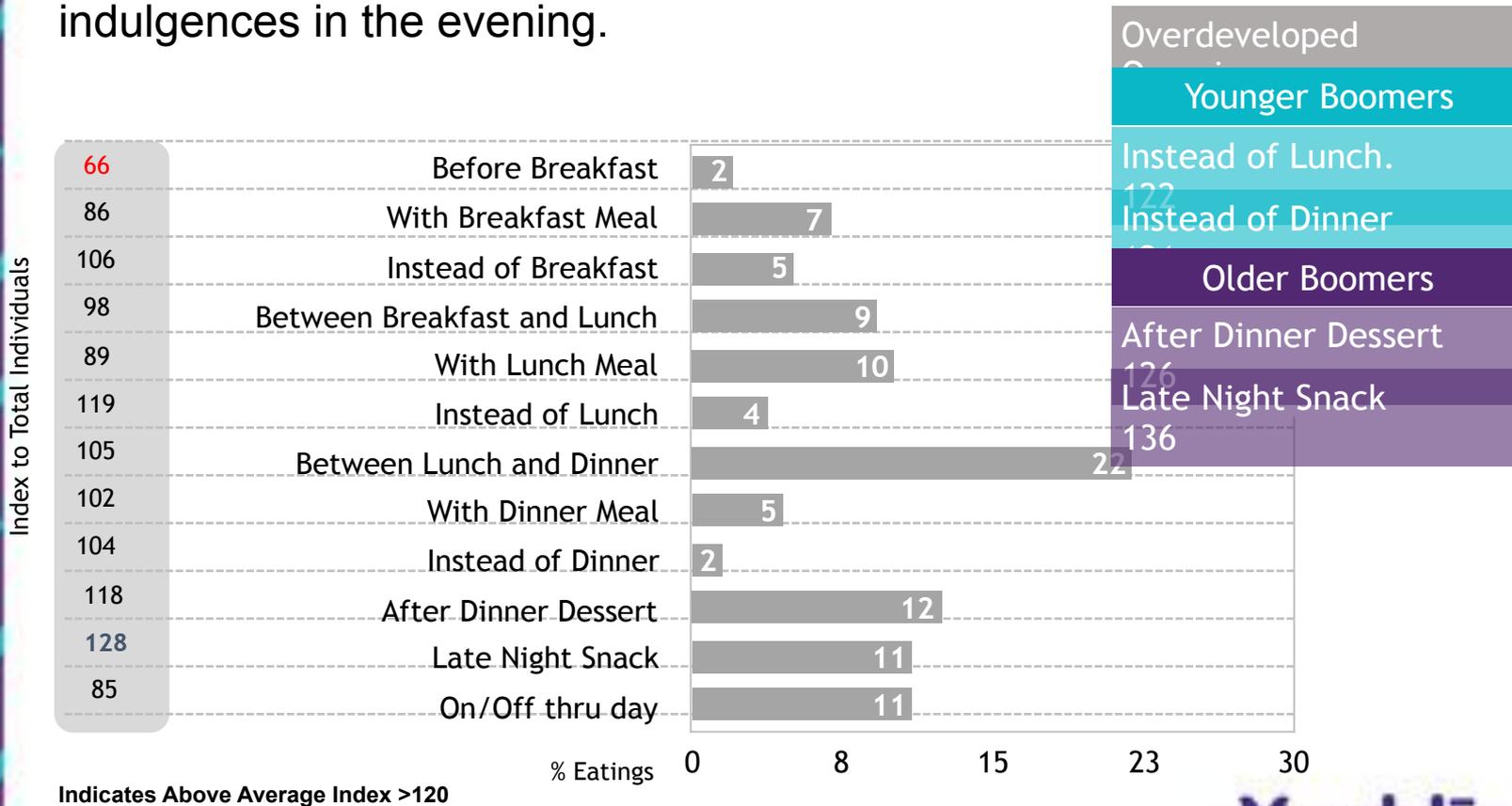


Source: The NPD Group/SnackTrack®, data for 2 years ending Sept. 2017



# Boomer Snack Food Consumption Occasions

Snack foods satisfy more functional needs for younger boomers who are in need of items that can replace a meal while they balance hectic family life. Older boomers are seeking snack foods that satisfy indulgences in the evening.

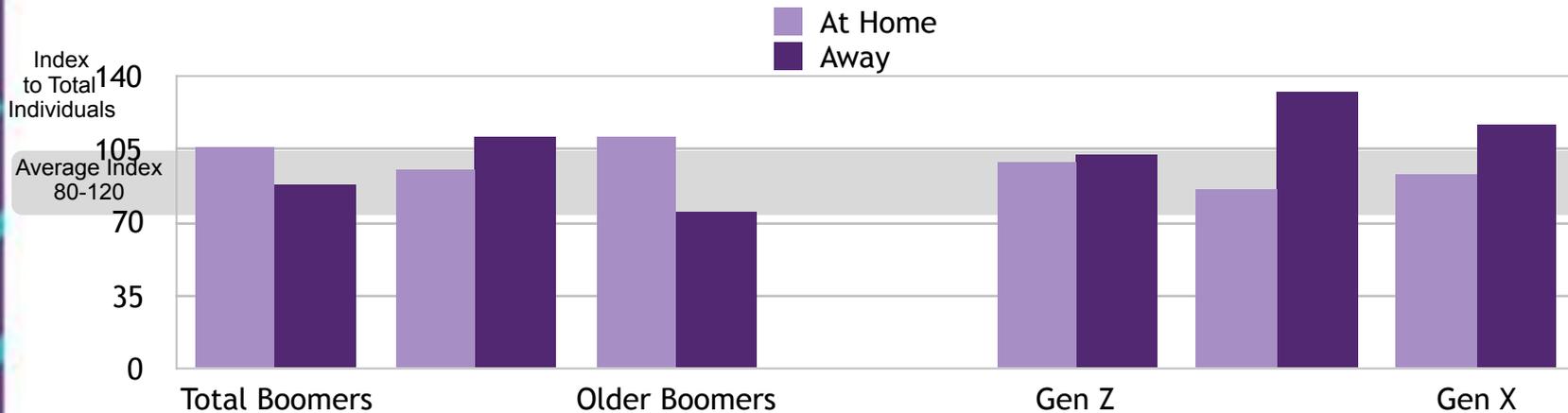


Source: The NPD Group/SnackTrack®, data for 2 years ending Sept. 2017



# Where boomers are consuming snack foods

Still in the workforce, younger boomers are more likely than their older counterparts to be reaching for snack foods outside of the home.



**Overdeveloped Locations**  
(Index to Total Individuals; rank based on index)

At Work (133)

At Work (191)

At School (269)  
Movie Thtr (163)  
Outdoors (152)  
Smone's Home (128)

Movie Thtr (188)  
Restaurant (156)  
At Work (147)  
Outdoors (144)  
Smone's Home (134)  
In Transit (120)

At Work (181)

# Snack food consumption among boomers

Better-For-You snacks like bars, fruit, yogurt, and nuts resonate with boomers, but older boomers are likely to balance that with sweet indulgences like snack pies, cakes and ice cream.

## Younger Boomers

## Older Boomers

**Among Total Boomers**  
Pt. Δ '17 vs. '12



- Whitening/Oral Care Gum (150)
- Diet Bars (150)
- Corn Chips & Corn Snacks (138)
- Seeds (138)
- Snack/Multigrain Chips (133)
- Nuts (131)
- Breath Mints/Strips (131)
- Energy/Sports/Nutrition/Protein Bars (120)

- Nuts (200)
- Diet Bars (150)
- Snack Pies/Pastries (144)
- Cough Drops/Throat Lozenges (144)
- Dried Fruit (138)
- Corn Chips & Corn Snacks (138)
- Breath Mints/Strips (134)
- Ice Cream (124)
- Snack Cake/Cupcake/Mini Cake (122)
- Ice Cream Bars/Sandwiches (122)
- Chocolate Candy/Candy Bars (120)

Indicates Above Average Index >120



# Conclusions and Opportunities

- The manufacturing community has access to a vast amount of data, which many are willing to share - take advantage of it!
- One size does not fit all any more - tailor your offerings to suit the predominant demographic by location, data-driven Category Management is vital
- Breakfast and afternoon day parts remain the major overall opportunity for growth
- As Gen Z become more dominant and transition more into to the workplace, virtual payment options are a necessity
- Gen Z are the instant gratification generation - develop real time promotions with instant rewards
- Although better-for-you snacking is important, indulgence still plays a major role in snacking and will continue to do so, in particular premium indulgence
- Snacking incidence continues to grow - take advantage of the opportunity to have your consumers purchase them from you by having the right snacking items available
- As away from home snacking is often shared, focus on larger size offerings that lend themselves to this trend

# Any Questions?



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