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)

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Consumed at home
Consumed out of home
Sourced from restaurant/café/cafeteria

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Source: The Hartman Group, Compass Eating Occasions database, 2016. Total adult (18-64) snacking occasions, n=4,983. Adult snack occasions consumed away from home, n=1,189. *Note: average distribution of snacks includes both weekdays and weekends.
Away-from-home snacking is more often shared, particularly with friends and coworkers

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.

Who is present at snacking occasion, by location

<table>
<thead>
<tr>
<th>Location</th>
<th>Alone</th>
<th>Couple/family</th>
<th>Friends/Colleagues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>34%</td>
<td>41%</td>
<td>25%</td>
</tr>
<tr>
<td>At home (75% of all snacks)</td>
<td>53%</td>
<td>44%</td>
<td>3%</td>
</tr>
<tr>
<td>At work (11% of all snacks)</td>
<td>46%</td>
<td>23%</td>
<td>31%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Total adults</th>
<th>Employees at a large office</th>
<th>Employees at healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early-Morning Snack</td>
<td>23%</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>Morning Snack</td>
<td>57%</td>
<td>38%</td>
<td>18%</td>
</tr>
<tr>
<td>Afternoon Snack</td>
<td>75%</td>
<td>43%</td>
<td>18%</td>
</tr>
<tr>
<td>After-Dinner Snack</td>
<td>28%</td>
<td>28%</td>
<td>25%</td>
</tr>
</tbody>
</table>

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

Boomers
1946-1964
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.

Source: The NPD Group and CultureWaves
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.

Source: The NPD Group and CultureWaves
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

<table>
<thead>
<tr>
<th>Fluidity</th>
<th>Discovery</th>
<th>Authenticity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z builds snacks and meals with components; they want what they like and aren’t playing by the rules of dayparts.</td>
<td>Gen Z’ers embrace ethic flavors and are helping mainstream ethnic-inspired sweet and savory snacks.</td>
<td>Gen Z expects great flavor alongside function when it comes to snacking.</td>
</tr>
<tr>
<td><strong>Fluidity</strong></td>
<td><strong>Discovery</strong></td>
<td><strong>Authenticity</strong></td>
</tr>
<tr>
<td>They expect to be able to get any type of food at any time of day.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>They are looking for plant-based snacking solutions as well as snacks that meet their personal dietary expectations.</td>
</tr>
</tbody>
</table>

Source: The NPD Group and CultureWaves
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

Source: The NPD Group/SnackTrack®, data for 2 years rolling ending Sept. 2016
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.

Source: The NPD Group/SnackTrack®, data for 2 years rolling ending Sept.
Snack food consumption occasion trends

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

Indicates Above Average Index >120

<table>
<thead>
<tr>
<th>Occasion</th>
<th>Annual Eatings Per Capita Pt. Δ '16 vs. '12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Breakfast</td>
<td>(90.0)</td>
</tr>
<tr>
<td>With Breakfast Meal</td>
<td>(67.5)</td>
</tr>
<tr>
<td>Instead of Breakfast</td>
<td>(45.0)</td>
</tr>
<tr>
<td>Between Breakfast and Lunch</td>
<td>(22.5)</td>
</tr>
<tr>
<td>With Lunch Meal</td>
<td>0.0</td>
</tr>
<tr>
<td>Instead of Lunch</td>
<td>22.5</td>
</tr>
<tr>
<td>Between Lunch and Dinner</td>
<td>45.0</td>
</tr>
<tr>
<td>With Dinner Meal</td>
<td>67.5</td>
</tr>
<tr>
<td>Instead of Dinner</td>
<td></td>
</tr>
<tr>
<td>After Dinner Dessert</td>
<td></td>
</tr>
<tr>
<td>Late Night Snack</td>
<td></td>
</tr>
<tr>
<td>On/Off throughout day</td>
<td></td>
</tr>
</tbody>
</table>

Declining: Overdeveloped Occasions Among Total Millennials*

- Before Breakfast: 5% (177)
- Instead of Dinner: 2% (121)
- On/Off Throughout the Day: 20% (141)

*Both Millennials with and without kids exhibit a skew at these occasions

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

Top 5 Growing Snack Foods
- Cookies +6.3
- Granola Bars +5.6
- String/Cube Cheese +5.4
- Energy/Protein Bars +5.0
- Ice cream bars/sands +4.4

Top 5 Declining Snack Foods
- Fresh fruit -12.9
- Chocolate Candy -8.5
- Cough drops -3.9
- Crackers ex filled -3.8
- Regular gum* -3.5

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

Indicates Above Average Index >120

Source: The NPD Group/SnackTrack®, data for 2 years rolling ending Sept. 2016

*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

<table>
<thead>
<tr>
<th>Top Overdeveloped and Growing Snack Foods Among Millennials by Day Part</th>
<th>Index to Total Individuals, Pt. Δ ’16 vs. ’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meal Kits (180, +1.4)</td>
<td>Corn Chips/ Snacks (133, +2.3)</td>
</tr>
<tr>
<td>Salty Snack &amp; Dip Kits (175, +1.8)</td>
<td>Rice/ Popcorn Cakes (133, +2.7)</td>
</tr>
<tr>
<td>Frozen Snack Foods (175, +0.5)</td>
<td>Seeds (133, +1.3)</td>
</tr>
<tr>
<td>Brownies (167, +0.3)</td>
<td>Potato Chips (129, +2.0)</td>
</tr>
<tr>
<td>Frozen Sweets (162, +1.0)</td>
<td>Cookies (127, +0.5)</td>
</tr>
<tr>
<td>Dips &amp; Salsa (160, +2.9)</td>
<td>RTE Popcorn (125, +3.0)</td>
</tr>
<tr>
<td>Treat Bars (160, +2.1)</td>
<td>Trail/ Snack Mix (123, +1.4)</td>
</tr>
<tr>
<td>Meat Snacks (150, +2.0)</td>
<td>Cereal Breakfast Bars (122, +1.1)</td>
</tr>
<tr>
<td>Pudding/ Cheesecake Cups (150, +1.2)</td>
<td>Fruit Snacks (120, +8.0)</td>
</tr>
<tr>
<td>Energy/ Sports/ Nutrition/ Protein Bars (147, +0.3)</td>
<td>Pretzels (120, +1.5)</td>
</tr>
<tr>
<td>Chewy Candy (146, +0.5)</td>
<td></td>
</tr>
</tbody>
</table>

### Mid-Day Occasions

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

### Evening Occasions

- Brownies (133, +0.7)

Indicates Above Average Index >120

Source: The NPD Group/ SnackTrack®, data for 2 years rolling ending Sept. 2016
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.

<table>
<thead>
<tr>
<th>Gen X Consumers</th>
<th>Gen X with Kids</th>
<th>Gen X without Kids</th>
</tr>
</thead>
<tbody>
<tr>
<td>34-44 Year Olds</td>
<td>35-44 Year Olds with kids in the</td>
<td>35-44 Year Olds without kids in</td>
</tr>
<tr>
<td>13% of the population</td>
<td>households</td>
<td>the household</td>
</tr>
<tr>
<td>~ 42,839,150</td>
<td>9% of the population</td>
<td>4% of the population</td>
</tr>
<tr>
<td>Demographic skews:</td>
<td>9% of the population</td>
<td>4% of the population</td>
</tr>
<tr>
<td>• HH Size: 4 members</td>
<td>HH Size: 4-5 members</td>
<td>HH Size 1-2 members</td>
</tr>
<tr>
<td>• Young kids &lt;6 in the HH</td>
<td>HH Income: $75k +</td>
<td>HH Income: under $25k</td>
</tr>
<tr>
<td>• Dinks and Families</td>
<td>Kids &lt; 18 in the HH</td>
<td>Black/non-Hispanic</td>
</tr>
</tbody>
</table>

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

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.

Indicates Above Average Index >120

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.

![Bar chart showing average index for snack consumption among different groups.]

**Overdeveloped Locations**

<table>
<thead>
<tr>
<th>At Work (181)</th>
<th>At Work (182)</th>
<th>At Work (181)</th>
<th>At School (269)</th>
<th>Movie Thtr (188)</th>
<th>Restaurant (156)</th>
<th>At Work (147)</th>
<th>Outdoors (144)</th>
<th>Smone’s Hom (134)</th>
<th>In Transit (120)</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Transit (126)</td>
<td>At Restaurant (122)</td>
<td></td>
<td>Movie Thtr (163)</td>
<td>Outdoors (152)</td>
<td>Smone’s Home (128)</td>
<td>At Work (147)</td>
<td>Outdoors (144)</td>
<td>Smone’s Hom (134)</td>
<td>In Transit (120)</td>
</tr>
</tbody>
</table>

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

Among Total Gen X
Pt. ∆ '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

Gen X with Kids
- 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)

Gen X without Kids
- 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)

Indicates Above Average Index >120

Source: The NPD Group/SnackTrack®, data for 2 years rolling ending Sept. 2016
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?

<table>
<thead>
<tr>
<th>Boomer Consumers</th>
<th>Younger Boomers</th>
<th>Older Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-70 Year Olds</td>
<td>45-54 Year Olds</td>
<td>55-70 Year Olds</td>
</tr>
<tr>
<td>36% of the population</td>
<td>14% of the population</td>
<td>22% of the population</td>
</tr>
<tr>
<td>~ 116,090,826</td>
<td>~ 45,455,281</td>
<td>~ 70,635,545</td>
</tr>
<tr>
<td>Demographic skews:</td>
<td>Demographic skews:</td>
<td>Demographic skews:</td>
</tr>
<tr>
<td>• HH Size: 1-2 members</td>
<td>• HH Income: $75k +</td>
<td>• HH Size: 1-2 members</td>
</tr>
<tr>
<td>• Empty Nesters and Seniors</td>
<td>• Singles and Empty Nesters</td>
<td>• White/Non-Hispanic</td>
</tr>
<tr>
<td>36%</td>
<td>14%</td>
<td>22%</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Occasion</th>
<th>Younger Boomers</th>
<th>Older Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Breakfast</td>
<td>2</td>
<td>66</td>
</tr>
<tr>
<td>With Breakfast Meal</td>
<td>7</td>
<td>106</td>
</tr>
<tr>
<td>Instead of Breakfast</td>
<td>5</td>
<td>98</td>
</tr>
<tr>
<td>Between Breakfast and Lunch</td>
<td>5</td>
<td>89</td>
</tr>
<tr>
<td>With Lunch Meal</td>
<td>9</td>
<td>119</td>
</tr>
<tr>
<td>Instead of Lunch</td>
<td>4</td>
<td>105</td>
</tr>
<tr>
<td>Between Lunch and Dinner</td>
<td>10</td>
<td>102</td>
</tr>
<tr>
<td>With Dinner Meal</td>
<td>22</td>
<td>104</td>
</tr>
<tr>
<td>Instead of Dinner</td>
<td>2</td>
<td>118</td>
</tr>
<tr>
<td>After Dinner Dessert</td>
<td>122</td>
<td>128</td>
</tr>
<tr>
<td>Late Night Snack</td>
<td>121</td>
<td>85</td>
</tr>
<tr>
<td>On/Off thru day</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

Indicates Above Average Index >120

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.

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

**Top 5 Growing Snack Foods**
- Fruit: +19.6
- Tortilla Chips: +6.1
- Refrigerated Yogurt: +5.0
- Energy/Sprts/Ntrn Bars: +5.0
- Donuts: +4.0

**Top 5 Declining Snack Foods**
- Sugarless Gum: -17.5
- Breath Mints/Strips: -12.2
- Chocolate Candy: -10.9
- Cough Drops/Lozenges: -6.3
- Nuts: -5.8

**Among Total Boomers**
- 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)

**Indicates Above Average Index >120**

**Younger Boomers**
- 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)

**Older Boomers**
- 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)

Source: The NPD Group/SnackTrack®, data for 2 years rolling ending Sept. 2016
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 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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