

BUSINESS

General Mills capitalizing on Americans' love for snacking

The company introduced new flavors, products as consumer data show more people are munching through their days.

By CATHERINE ROBERTS Star Tribune | SEPTEMBER 2, 2017 – 2:23PM

Some gourmet pizza shops have been offering a macaroni and cheese topping for a while now.

Now, General Mills is running with it, adding a mac and cheese with bacon flavor to its Totino's pizza rolls line.

The Golden Valley-based company introduced several new foods over the summer, including a whole new category of yogurt called Oui, which is based on the way the French make yogurt.

Included in the list and promoted heavily are the new Totino's rolls and Cinnamon Toast Crunch Bites, which are doughnut-like treats filled with a creamy cinnamon filling.

The two products, along with others such as Yoplait mix-ins and Larabar bites, boost General Mills' profile in the snacks category.

Snacks is one of the fastest-growing areas for food companies. Austin, Minn.-based Hormel has had success with products such as Skippy P.B. Bites, the trend is boosting Jack Link's meat jerky and Marshall, Minn.-based Schwan's also has added snack items to offerings.

General Mills leads the frozen snacks/appetizer category, with Totino's alone accounting for \$525.8 million in sales in the year ended April 30. Overall, according to IRI, the category rose 1.56 percent to \$2.2 billion in that time period.

Snack sales are expected to rise around 6 percent annually to reach \$630 billion by 2022, according to a report by Mordor Intelligence, a market research firm.

"Snack food has emerged as an alternative to full-fledged meals with the paradigm shift in consumer behavior patterns," the report said.

General Mills lays claim to expanding the snack category from the traditional chips and frozen microwaveable products to its Nature Valley crunchy granola bars, which were introduced more than 40 years ago.

The brand — General Mills was the first major food company to sell granola bars — is still the anchor in the snack bar category, with increasing sales across the U.S. Nature Valley products are also helping drive double-digit growth in the snacks category in Europe. Snack bars are a \$1.7 billion business for General Mills, about 10 percent of its overall revenue.

Matt Salter, a marketing director for snacks in Europe and Australia, said in a company blog that what people want out of their snack bars is often similar around the globe, such as interest in protein and weight management.

So it's not surprising that the summer rollout included some Nature Valley products, including XL Protein Chewy Bars, Almond Butter Double Chocolate Granola Cups and Biscuits in Coconut Butter.

The new offerings also include some under the Larabar brand, a smaller business but one that has seen 40 percent growth in stores measured by Nielsen, according to General Mills.

New on shelves are Larabar Nut & Seed Crunchy bars, made from sprouted chia seeds mixed with honey and maple, in several flavors. New flavors of Larabar bites and Fiber One bars also were introduced.

General Mills points to several studies that back its snack emphasis. For example, the Hartman Group Eating Occasions for 2016 found that 91 percent of people snack throughout the day and 8 percent forgo meals completely.



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Totino's Pizza rolls has a new flavor: macaroni and cheese with bacon.

“Controlling weight used to be about counting calories, [but] now it’s about calories that count,” said Jeanine Bassett, vice president of global consumer insights, in a statement. “Today, it’s more about satiety, which is why you see increased interest in protein.”

And while Midwesterners are more likely to munch on vegetables and fruits, the Hartman survey found, those in the Northeast are more likely to reach for granola or protein bars and Southerners are more likely to eat traditional snacks such as chips and pretzels.

The snacking trends have even resulted in a new term called “second breakfast,” referring to a midmorning munch people are likely to eat at their desks.

Among General Mills’ new offerings, the Cinnamon Toast Crunch Bites, plus new cereal flavors Apple Cinnamon Toast Crunch and Blueberry Chex, are in that breakfast category.

In the traditional snack category, General Mills introduced Annie’s Organic Cheese Puffs and Barbecue Bugles.
