

# Salty Snacks Boost Demand

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**Consumers' propensity for all things snacking is good news for c-store operators.**

By Pat Pape, Contributing Editor

The idea of three balanced meals—once a normal American lifestyle—is slowly going the way of rotary phones and television rabbit ears. These days, almost everyone who eats is a perpetual snacker.

According to the Hartman Group, a research and consulting firm based in Bellevue, Wash., 91% of Americans snack several times during the day, and snacking now accounts for half of all eating occasions nationwide.

While consuming three healthy meals a day remains an ideal, today's over-scheduled

consumers eat when time permits instead of planning their tasks and obligations around traditionally established meal times.

Easy access to foods and beverages and the declining ritual of sit-down family meals has made snacking a convenient activity that can be geared to the personal needs of the individual. Snacking requires little or no preparation, and snacks are typically less substantial than a meal, often containing 200-300 calories, Hartman reported.

And when U.S. consumers nosh, chances are good they are enjoying salty snacks.

## **SALTY SNACKING**

Salty snack sales in the convenience channel grew 4.3% in 2016, according to the NACS State of the Industry report, with the ever-popular potato chip retaining first place in the consumer popularity contest. Overall, c-store potato chip sales grew by 4.6% last year. Comparable, unit sales rose 3.1%.

New chip flavors that are now being introduced in the market combine traditional salty tastes with flavors of different dining experiences, including creamy garlic Caesar, milk chocolate, crushed red pepper, ketchup, wasabi ginger, biscuits and gravy, cinnamon with sugar and chicken with waffles.

Whatever the latest trend, there's little doubt that product innovation is helping drive momentum in the c-store category.

"Our sales in the salty snack category are very healthy, and chips are the primary product driving the majority of growth," said Hilary Freedman, senior category manager for Atlanta-based RaceTrac, which has 670 locations in 10 states under the RaceTrac and RaceWay banners.

"Unusual bold flavors continue to be requested by our guests, and chips have the most flavor variety of any of our segments," she said. "We are planning to bring in a lot of non-traditional, better-for-you-type salty items this fall, but I

do not anticipate those items selling at the same velocity or demand that we see within the chip segment.”

With limited real estate, convenience store retailers must carefully select which flavor options they should offer. “The only issue is being able to have all the products that they’re advertising,” said Scott Zaremba, who owns two Zarco convenience stores in Kansas. “There are always too many varieties. You could have a Walmart-sized store and still not have all the varieties out there.”

“Salty snacks is a key category for us, and manufacturers keep coming up with new products that sell,” said Mike Thornbrugh, manager of public and government relations at QuikTrip Corp., the Tulsa, Okla.-based convenience chain with more than 750 stores throughout the U.S.

“We can’t carry all the creative ideas, and we’re not real interested in fads,” Thornbrugh said. “We stick to the old standbys that people really want and buy frequently. But we do try different things from time to time. Everybody has their own tastes, and we try to have enough varieties to meet their needs.”

Another retailer, Square One Markets, isn’t prone to replacing the salty standards often with the new-fangled flavorings.

“I think they are a novelty,” said Lisa Dell Alba, president and CEO of, the 11-store chain in Pennsylvania. “People are willing to try the crazy flavors, but I think they prefer their traditional chips and Doritos.”

Tortilla corn chips were the next top seller behind chips, followed by “other salty snacks,” nuts/seeds and puffed cheese. These items also are produced in atypical flavors, including black bean and rice tortilla chips and eggnog popcorn.

## **PREFERRED PACKAGING**

Traditionally, salty snacks have been available in simple plastic packs. But some shoppers are looking for more substantial packaging, such as stand-up pouches with a wide base that sit erect and allow them to nibble with less chance of spillage.

“Many manufacturers are introducing resealable, gusset bags,” said Freedman. “I’m not confident that guests are specifically seeking out this type of packaging, but it provides us as the retailer the flexibility to merchandise in different places within the store, since many of the items are able to stand on the shelf, as well as in pegged format.”

Resealable bags allow consumers to eat what they want now and save the rest for later, while at the same time ensuring that the bag’s contents are safe from dust and moisture.

Today’s consumers are interested in clean-label food products, those made with minimal ingredients that can be pronounced, and that applies to salty snacks. Mintel, the consumer research organization with headquarters in Chicago, reports that 27% of shoppers say they look at the ingredient list before buying salty snacks, and 20% agree that salty snacks free from artificial ingredients are worth paying more for.

## **MOVING MERCHANDISE**

C-store operators are already doing a good job selling salty snacks to consumers, but there are some traditional tricks they can use to move more products.

“Sales of salty snacks at c-stores reached an estimated \$3.2 billion in 2016,” said Caleb Bryant, senior foodservice analyst at Mintel. “The key for operators is staying up with the overall trends in the market and stocking snacks that appeal to their core consumers.”

Millennials are an important consumer group within the salty snack market, but the youngest members of that group, the iGens are especially significant. According to Mintel, 97% of iGens (the post-Millennial group, or IGeneration—also known as GenZ) have purchased at least one salty snack in the past three months, and 29% of iGens say that

salty snacks help get them through the day.

“iGens are actually the primary purchasers of salty snacks,” Bryant said. “They are heavy snackers in general, and brands need to start paying attention to these younger consumers.”

Communicating with iGens is best accomplished through social media: Facebook, Twitter, Instagram, Pinterest and Snapchat. When investigating new consumer products, 81% of iGens rely on social media as a resource, according to Mintel data.

A classic way to sell more is to bundle snacks with a beverage at a value price. Mintel also reported 43% of consumers say that salty snacks are best paired with a beverage. A well-promoted salty-snack-plus-drink offering can help boost sales.

Like all areas of a convenience store, the snack section should be kept clean, neat, stocked and faced, and signage communicating special snacks' value should be placed on shelves underneath the products or in other visible locations inside the store and at the fuel pumps.

As for the future of salty snacks, The Hartman Group believes boundaries between what is a meal and what is a snack will continue to change to meet consumers' busy lifestyles, creating more undefined eating occasions and more opportunities for consuming salty treats.

“We don't have the ability to determine if people are purchasing packaged snack items in place of a meal, but do know that today's consumer is not eating three traditional meals a day,” said Freedman. “Snacking on-the-go is common among our guests, and salty snacks fit that bill.”