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## 2009 State of the Industry

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# Bars for Life

Consumer interest in healthier eating and more wholesome foods has prompted manufacturers to create snack bars that are both nutritious and tasty.

By Romy Schafer

Each January, millions of Americans resolve to lose weight, eat right and get fit. But soon, many are testing new Super Bowl snacks or sampling Valentine's Day chocolates. Exercising self-control can be hard in a country filled with 24/7 convenience stores and restaurants.

Recently released U.S. obesity figures finally may give people the willpower they need. It's difficult not to think about the fact that two-thirds of American adults now are overweight when struggling to fit into a favorite pair of jeans.

Many factors contribute to expanding waistlines, including excessive snacking. But experts acknowledge that limited

snacking on healthy foods can help dieters lose weight by curbing hunger between meals — that's good news for manufacturers of wholesome snacks such as nutrition, energy and protein bars. These products offer health-conscious consumers snack alternatives that are convenient, portion-control and tasty.

## Bars for All

Kellogg Co., Battle Creek, Mich., is dedicated to developing nutritious products that meet consumers' changing needs and wants.

"Our commitment to meeting our consumers' demands for healthy snack options is aligned with the heritage of our founder, W.K. Kellogg, and



with our current strategy to provide consumers with healthy eating options," says Jane Ghosh, director of Wholesome Snacks. "Our Innovation Marketing team consistently explores new product ideas that involve organic, natural and functional products."

One of the company's newest ideas is Kellogg's FiberPlus Antioxidants. The 1.2-oz. bar, launched in January, lets consumers improve their nutrition by providing a combination of fiber, antioxidants, calcium and 7 g. of whole grains. It comes in Chocolate Chip and Dark Chocolate Almond varieties, and has a suggested retail price of \$3.09 per five-bar box.

Dr. Gursh Bindra, founder and CEO of Aristo Health, Inc., Morristown, NJ, also notes that Americans are becoming more aware of nutrition.

"People are starting to wake up to the fact that they need to make wiser food choices for their children, themselves and the people they are responsible for," he says. "What this translates into is that we want to make wiser choices about our snack foods."

Aristo Health's 1.3-oz. Body + Mind Wellness Nutrition bar offers consumers healthy ingredients such as encapsulated



## 2008 Snack/Granola Bars Sales

(Latest 52 weeks ending Dec. 28, 2008)

	Dollar Sales (in millions)	Dollar Sales % Chg Vs. 1 Yr. Ago
Breakfast/Cereal/Snack Bars	\$717.3	+3.9
Granola Bars	\$890.1	+2.6
Nutritional/Intrinsic Health Value Bars	\$570.4	+3.6
Rice Snack Squares	\$111.4	-7.6
All Other Snack/Granola Bars	\$23.7	-27.8
<b>Total for category:</b>	<b>\$2,312.9</b>	<b>+2.1</b>

Total U.S. - F/D/MX (Supermarkets, drugstores, and mass merchandise outlets, excluding Wal-Mart), including brands not shown

Source: Information Resources, Inc. (IRI), a Chicago-based market research firm

fish oils, phytosterols and superfruits such as acai, goji and pomegranate. Due to positive consumer feedback, Aristo Health plans to add two flavors in the coming months to its current three-flavor line: mangosteen, a fruit sourced from Southeast Asia, and noni fruit, which is found in Hawaii and the Pacific Islands. Each of the Aristo Health bars is "somewhere shy of 40 g. per serving, which, with our chewy granola-type base, translates into 130 to 140 calories per bar," Bindra notes. "For someone who is concerned about weight control and portion sizes, this is ideal." The bars sell for \$1.69 to \$1.99 each.

### Specialized Snacking

For vegetarians, vegans and people with food allergies, eating healthy is almost second nature, but that doesn't mean finding healthy snacks is easy.

Sequel Naturals Ltd., Port Coquitlam, British Columbia, hopes to change this. In January, the company introduced the *Vega Whole Food Vibrance* bar, a blend of all-natural, raw, organic and plant-based ingredients. Part of the company's *Vega* line, the bar also is gluten-free, sprouted, alkaline-forming and rich in Omega-3s, antioxidants and phytonutrients. It comes in three flavors: Decadence Chocolate, Green Synergy and Whole-some Original. The 1.8-oz. bar has a suggested retail price of \$2.99.

*Detour Lean Muscle* bar, the latest addition to Minden, Nev.-based Forward Foods' *Detour* protein bars, also targets a specific consumer group: 17- to 32-year-old males who are serious or professional athletes and need a lot of protein.

"Lean Muscle packs 32 g. of whey protein and 2,000 mg. of Omega-3s," says president and CEO Patrick Muldoon. "We've fortified it with 20 vitamins and minerals, but it only has [3 g.] of sugar."

Protein bars are designed to be filling, and the *Detour Lean Muscle* bar is no exception: It weighs in at 90 g. per bar.

"That's a big snack," Muldoon says. Some consumers may view the bar's retail price of \$3 or more as hefty, too. But athletes seeking a high-protein bar no doubt will consider the bar's benefits worth the cost.

### Making the Sale

Tough economic times are prompting everyone to scrutinize their expenses and cut back on unnecessary expenditures. But when it comes to good health, "that's one of the last things people give up," says Sequel Naturals marketing manager Anthony Rosenfeld. "They're going to fuel their body with good food."

This could bode well for retailers that sell wholesome snack bars and are proactive in their merchandising and marketing efforts. Rosenfeld advises retailers to make good use of point-of-purchase (POP) materials and build displays that make product packaging stand out. He adds that now also is "a good time for promotions — discounts or special offers."

Bindra concurs: "What we have to do, during this challenging time, is offer [people] nutritionally sound products at a price they're comfortable with. I think

manufacturers, like ourselves, and our retail partners have to be willing to give up some margin."

For Aristo Health, this means putting together merchandising packages that temporarily reduce the end-consumer price, as a way of inciting trial," Bindra explains. The company also provides its retail partners with POP materials and works with them to promote products heavily during the beginning of the year, when weight-loss companies begin advertising their programs.

According to Kellogg's Ghosh, "Successful merchandising in this challenging economic environment includes several key components: location, price/value perception, SKU optimization and display size."

To help retailers effectively merchandise the company's products, Kellogg also provides a variety of vehicles, ranging from small, front-end register displays to large, thematic lobby displays. In addition, Ghosh says "retailers leveraging Kellogg's Snacks DSD delivery system can benefit from our merchandising and services, while reducing their labor costs."

And while Kellogg's retailer partners are reducing their labor costs, consumers seeking wholesome snack bars hope to make a few reductions of their own — in pounds, this is. **CSR**

