

Growth in snacking presents innovation opportunities

Filed by Geoff Platt

A new *Innovation Center for US Dairy* white paper spotlights the snacking eating occasion as an attractive strategic focus area for dairy product innovation.



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Drawing on 18 months of consumer and industry research, its findings provide a roadmap for dairy's incremental growth in this eating occasion.

Dairy products account for just 13% of all between-meal snack choices for people two years and older, presenting a large opportunity for the industry to grow its share of the snacking eating occasion.

“By reimagining dairy products and ingredients in snacks, food manufacturers can take advantage of a significant business opportunity,” says Dairy Management senior vice president of strategic insights, Lynn Stachura. “Snack-based innovations are seemingly unlimited, especially for those incorporating dairy products and ingredients that are versatile, wholesome, natural, nutritious and delicious.”

Currently a \$90bn eating occasion, snacking continues to grow. Practically everyone snacks, with 87% of US consumers reporting eating or drinking between meals. This translates into 850m eating occasions annually, according to The NPD Group.

As consumer lifestyles change, the lines between meals and snacking are starting to blur. 30% of consumers claim to eat ‘mini meals’ throughout the day rather than three main meals, and another quarter desire to do so. A key dairy focus area is nutritious snacking, which makes up half the snacking eating occasion and is supported by research indicating that health is an important consideration to consumers. Dairy’s nutritious profile naturally aligns with consumer demand for healthy snacks.

To fully realise the occasion’s potential, the white paper recommends the dairy industry develop products that go beyond what’s available today. It also identifies five key segments that best align with dairy or dairy ingredient-based products and offer the greatest opportunity for incremental growth in the dairy industry:

- **Morning Energy** – a quick need for energy in the morning.
- **Tasty PM Meals** – consumed with a meal, such as chips or cheese.
- **Substantial Crunch** – more filling snacks, usually consumed after lunch to tide the consumer over.
- **Naturally Nutritious** – eaten between breakfast and lunch, and often less processed.
- **Sweet Bites** – tasty and often ‘poppable’ to eat between meals while doing something else.

“Dairy is underdeveloped in the snacking eating occasion despite its ability to provide food and beverage manufacturers with the tools to develop great tasting and healthy snacks that consumers demand,” says Stachura. “Innovations in this area will not only grow dairy’s share of the occasion but also fill a void for consumers as the market continues to grow.”

Source: Innovation Center for US Dairy

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