VIRGINIA DARE

Millennials versus Boomers
Insights and Flavor Trends in the Nutrition Bar Market

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Insights and Flavor Trends in the Nutrition Bar Market

Nutritional snack bars represent a $6 billion dollar market in the United States and are one of the fastest growing food/beverage product categories in mass merchandise channels with annual sales growth estimated at 6.4%.

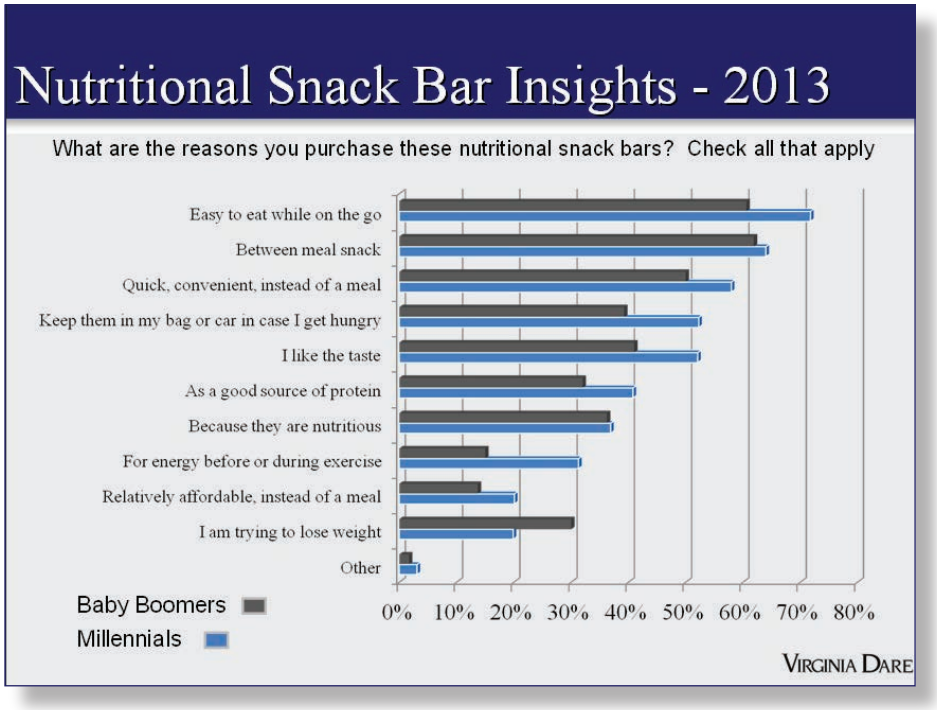
The growing popularity of nutritional snack bars is likely attributed to the increasing interest in healthy eating, and the rise in snacking behavior of U.S. consumers. Research from the Food Marketing Institute indicates that 80% of Americans are making some or a lot of effort to eat healthy. This same study also found 42% of Americans are very concerned about the nutrient content of the foods they buy. Snacking frequency is up in 2012 with 49% of consumer reporting snacking 1 to 2 times per day, and 43% reporting 3 to 4 times per day.

Two of the most important consumer segments for all products in the U.S. are the baby boomers, due to their size and current purchasing power, and the Millennials, who are poised to overtake the boomers in numbers and spending power by 2020.

Baby Boomers and Millennials are also two of the largest market segments for Nutrition Bars. Virginia Dare completed consumer research in 2013 to understand similarities and differences in purchase behavior between these two groups of Nutrition Bar consumers. A national survey was completed of nutrition bar consumers (586 baby boomers, 547 millennials) to determine flavor preferences and purchase behavior. Criteria for participation in the study included consuming nutritional snack bars at least once per month. Focus groups were also conducted to gain additional consumer insight.

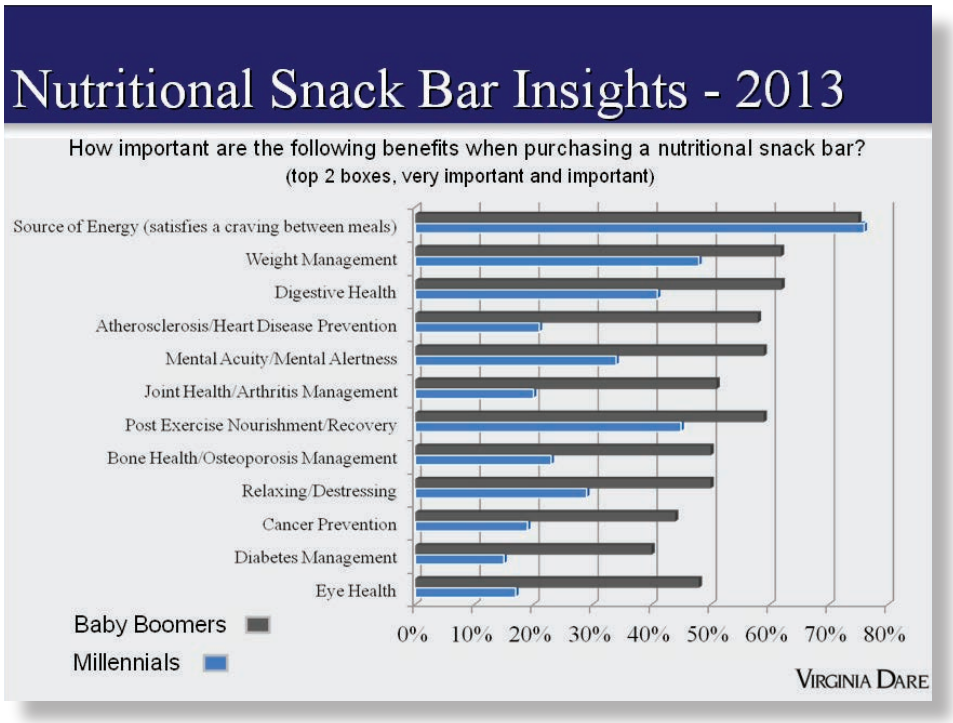
The consumers were asked the reasons they are purchasing nutritional snack bars and the results are summarized in Figure 1. For both baby boomers and millennials the convenience of nutritional snack bars was a main reason for purchase. The top four reason were all related to convenience for both groups. The next strongest response for purchase intent was flavor which is consistent with many other studies that investigate food and beverage purchase behavior. One area where differences between baby boomers and millennials emerged was related to caloric energy of the bars. The millennials were more inclined to purchase a nutritional snack bar for energy before or during exercise. In contrast, the baby boomers were more likely to purchase these bars as part of a weight loss program presumably to replace a more caloric meal.

Figure 1



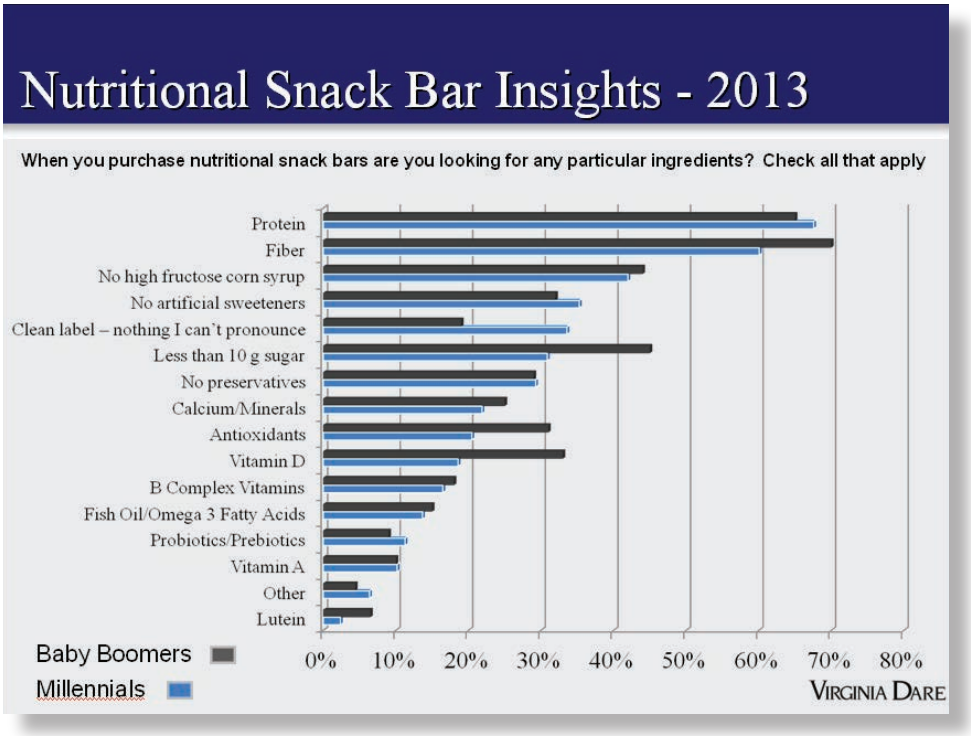
Also investigated were several benefits the consumers were looking for when purchasing nutritional snack bars (Figure 2). Both groups viewed nutritional snack bars as a source of energy and could be used to satisfy cravings between meals. The remainder of the benefits in Figure 2 concerned conditioned specific health claims. For all of these claims there was a much stronger response from the baby boomers than for the millennials. These findings suggest that nutritional snack bars making condition specific health claims will not be of interest to millennial consumers. Conversely, baby boomer consumers value these condition specific health claims.

Figure 2



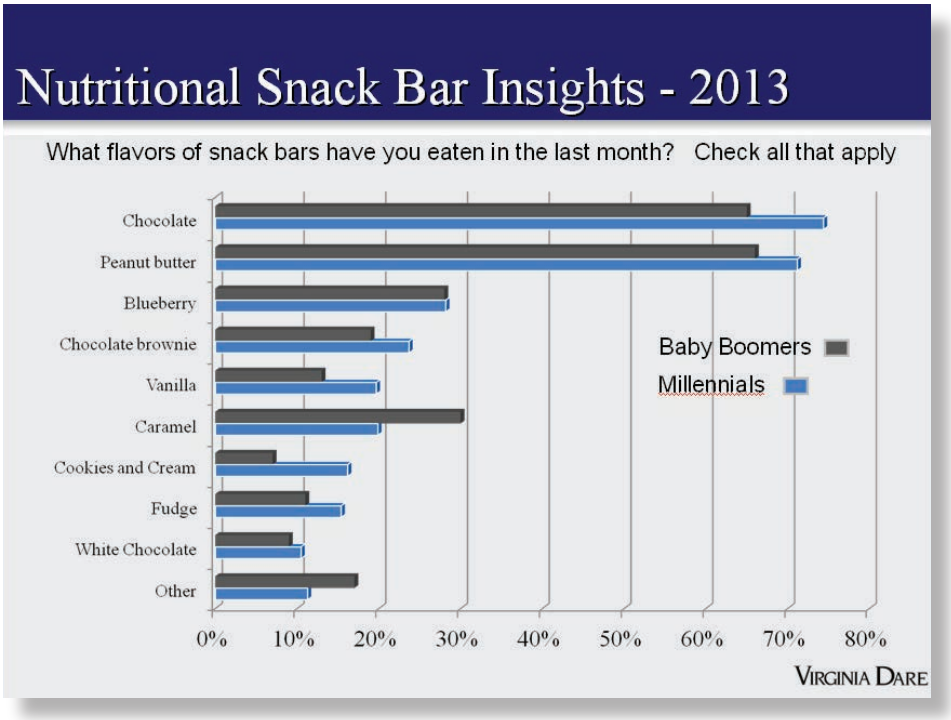
Another question in the survey examined baby boomer and millennial attitudes towards several ingredients commonly found in nutritional snack bars (Figure 3) Protein and fiber both received strong responses from both groups. Not being formulated with high fructose corn syrup, and the lack of artificial sweeteners, was also important to both baby boomers and millenials. Somewhat surprising was the relatively weak response to many of the micronutrients by both groups, although about a third of the baby boomers responded well to antioxidants and vitamin D. The baby boomers also responded well to a low sugar claim, likely due to a high incidence of diabetes in this age group. The millennials had a strong response to the statement "clean label – nothing I can't pronounce". This information, combined with the millennials lack of interest in specific micronutrients, and their lack of interest in condition specific health claims, strongly suggests products with a wholesome positioning formulated with minimally processed ingredients will resonate with millennials. In contrast it appears baby boomers are more accepting of condition specific health claims and the micronutrients responsible for the claims.

Figure 3



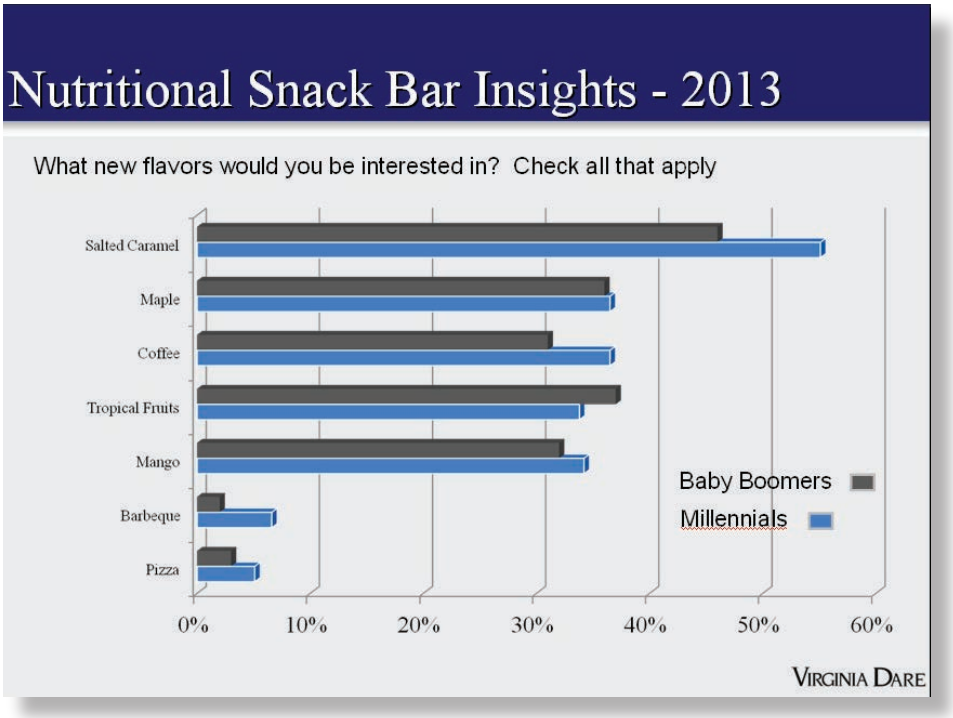
When it comes to flavor, chocolate and peanut butter were the most popular flavors with both groups which is consistent with sales data for the category (Figure 4).

Figure 4



Also explored was interest in new flavors (Figure 5). Both groups responded very well to salted caramel which may result from the flavors current popularity in many food and beverage applications. Strong interest was also expressed by both groups for maple, coffee, tropical fruits, and mango. Both groups did not express interest in the two savory flavors tested (barbeque and pizza). This is consistent with the predominance of sweet flavors in the category and almost complete lack of savory offerings.

Figure 5



To summarize:

- It is likely the nutrition bar category will continue to grow due to their convenience and healthy/nutritious halo.
- There is significant overlap between Millennials and Baby Boomers attitudes toward nutrition bars.
- There are important differences to consider when positioning products:
  - Boomers accept condition specific health claims
  - Millennials look for “wholesome nutrition”
  - Formulating for Millennials requires “cautious” use of nutrients
- The most popular bar flavors have equal appeal for both groups (chocolate, peanuts/peanut butter)
  - Boomers more conservative regarding new flavors (maple, salted caramel)
  - Millennials gravitated to more trendy flavors (Nutella, coffee, tea, Greek yogurt, Chia)
  - Opportunity for both groups for salted caramel, mango, coffee, tropical fruits, additional chocolate variations