

Tips to Boost Snack Sales

Better baked goods, bundling keys to success



May 19, 2015 — Consider any doubts about the blurring of dayparts erased: Snacking is here to stay. Between just 2013 and 2014, global snack-food category sales climbed 2% to \$374 billion, according to Nielsen data. And research firm IRI expects the U.S. snack market will reach \$200 billion by 2020.

Millennial and baby-boomer consumers continue to be the primary drivers of growth in snacking. Chicago-based research firm Technomic reports that 31% of consumers say they are snacking more frequently today than just two years ago.

Nearly half of consumers (49%) eat snacks between meals, and 45% replace one or two daily meals with a snack.

And although everyone is snacking, Millennials report snacking for

Convenience stores have a unique opportunity to support this all-day grazing. Forty-seven percent of millennials source snacks at c-stores—more than all other locations, including fast-food outlets (39%) and their own homes (33%), according to research from Culinary Visions Panel. Convenience retailers, therefore, are well positioned to capture what some refer to as the fourth—and even fifth—meal daypart.

A Variety of Eating Occasions

Offering a variety of snacks throughout the afternoon snacking business. Millennials also snack in the afternoons, but they are more likely to grab something in the late afternoon (47%).

While candy still reigns as the packaged food item of choice for c-store customers, baked goods and pastries are gaining ground. Fifty percent of millennials report purchasing doughnuts, while 38% buy desserts, 25% purchase muffins and 24% choose other pastry items.

In fact, indulgent snacks are on the rise, even as the health and wellness trend continues. According to IRI's 2015 State of the Snack Food Industry report, dollar sales for indulgent snacks, such as bakery items and pastries, increased 3.1% in 2014, compared to an increase of 2.5% for healthier snacks. A portion of this growth can be attributed to the craveability of these snacks—59% of consumers say they indulge when they snack, and they often do so to satisfy cravings for foods that are salty, sweet, crunchy or crispy.

To meet increased demand for mid-afternoon snacking, and to offer consumers expanded product variety, Prairie City Bakery launched two new flavors of its popular Ooey Goey Butter Cake—lemon and cinnamon.