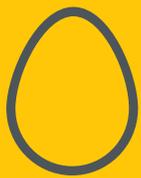


WHITE PAPER



## SNACKS-PECTATIONS

Consumers want more than guilty pleasure



American Egg Board

A bit sneaky, aren't they? Snacks crept in from the dark shadows of guilty pleasure to grab a dominant and even bold role in America's dining habits. Far from the furtive midnight refrigerator raids of yore, snacking's ubiquitous presence is actually shifting the classic structure of three meals per day. According to Technomic's 2018 Snacking Occasion Consumer Trend Report,<sup>1</sup> many consumers are replacing at least one daily meal with snacks, while some might replace two.

Snacking is now defined by Innova as a "definitive occasion," sparking a 10 percent annual growth in global food and beverage launches with a snacking claim in the past five years. Varying reports state that between 83 to 94 percent of consumers snack daily, fueling impressive category growth. Savory snacks alone are expected to reach global sales figures of \$175.85 billion by 2021 for a CAGR of five percent.

With both savory snacking on the rise and health on the minds of consumers, the perfect ingredient to fit this scenario just might be the hard-boiled egg. One website actually calls the hard-boiled egg the "perfect snack" for its satiating qualities, ease of preparation and myriad of ways to dress it up with herbs, spices, dips and companion ingredients.<sup>2</sup>

### Snack Hackers

Among generational demographic groups, Millennials and Gen Z most fervently embrace snacking. One poll shows Millennials eat at least six snacks per week on the go, while commuting or running errands. Two in five Millennials reach for a snack to help fuel activity through the day compared to one in five older adults who snack for that reason as opposed to using a snack for example, to curb a craving.<sup>3</sup>

The type of snack a Millennial might choose to help fuel their body would fit within the macro trend for healthier or more nutritious foods and snacks. According to Innova data, 17 percent of U.S. consumers polled indicated "health" as an

important factor when selecting a snack food compared with 19 percent naming "indulgence."

According to SnackNation, a direct consumer snacking subscription service,



47 percent of all consumers say they can't make it through the day without a snack.



As the consumers get younger, this number rises. Some Gen Z and Millennial consumers eat a snack up to six times a day; combining snacks to make mini-meals, "just like you'd build a plate with protein, fruits, veggies and grains," according to one company executive.

Compared to Millennials, **Gen Z is even more inclined to prefer convenient foods that are easy to prepare or eat on the go**—cue microwave dinners, frozen breakfast sandwiches, meal kits and snacks. According to a new Packaged Facts report, better amp up the flavor. Gen Z prefers novel, authentic food experiences.<sup>4</sup>



Not surprisingly, Innova has identified a 35 percent growth in new food and beverage launches with a “discovery” claim on the label (i.e., discover, explore, uncover, unveil and unravel) and a 17 percent CAGR of new food and beverage launches with ethnic flavors.

### Flavor Breakthrough

Therefore, for the adventurous consumer (i.e., Millennials and Gen Z) capture the taste buds, and you’ll capture your audience. Flavor reigns supreme when consumers make snack selections. The IRI Snacking Survey 2018 says 91 percent of consumers have flavor preferences and for 84 percent of them this included exotic flavors.

Flavor isn’t the only important component of a snack, however. Consumers of all ages are driving the sales of snacks that carry a protein claim. Egg protein plays a role in the nutritional health of consumers across the lifespan. Protein is one of the most important nutrients for children, promoting growth of strong muscles and healthy immune systems. Mature consumers need dietary protein intake to maintain muscle strength, bone health and blood sugar control. In fact, a higher intake of animal-protein foods alone, and especially in combination with a physically active lifestyle, was associated with preservation of muscle mass and functional performance in older adults.

### Small Bites are Huge

In terms of format among all consumers, 37 percent say that any type of food can fit within the snack model depending on portion size—small portions mean snackability. In these small portions, taste, positive health benefits, convenience and portability, and real ingredients make a difference with consumers, according to Nielsen data. That means small bites are big business. Manufacturers, retailers and restaurants alike are offering single-serve, grab-and-go products to meet consumer needs.

According to one source, refrigerated snacks, a snack subcategory, witnessed 20 percent year-over-year growth due to protein combination snack packs that included these types of savory options.<sup>5</sup>



Protein—another trend with staying power. Protein claims in snack foods jumped 24 percent CAGR for the time period 2013-2017.



More recent new product introductions continue that trend. In 2018 alone, 579 new snacks carried a protein claim with 3.3 percent of those designated for the refrigerated section.

This trend is being driven jointly by Millennials, Boomers and all demographic groups across the spectrum. The number of new product introductions is matched only by the frequency of fresh protein snack pack purchases.

### Hobbits Were Right

Another important factor for food manufacturers in terms of marketing is figuring out the daypart when the most snacking occurs. Snacking can happen anytime, anywhere, however in terms of simple cravings, Americans are most likely to crave a lift in the afternoon. Evenings, after dinner, are the next highest likelihood for a person to snack.

Although we can’t ignore the morning segment either. According to InstantIntel<sup>6</sup> we’re all turning into hobbits. Remember the long journey in *Lord*

of *the Rings* when a hobbit asks when they'll stop for second breakfast? We laughed at that part of the film, but second breakfast, or an eating occasion that falls between breakfast and lunch, is on the rise. Almost a third, or 32 percent of consumers are enjoying a "second breakfast" or breakfast food as a midmorning snack, either a yogurt parfait or muffin or something more filling such as a smoothie bowl or frittata.

Don't forget that the hobbits were on a journey. Americans are constantly on the go; therefore, portability is a strong factor in the favor of any snack introduction. Single-serve packs that are protein-centric and minimally processed fare well. In addition, the free-from movement including free-from dairy, soy or gluten still shows strong consumer involvement. In addition, consumers seem to prefer snacks that are:

- Nutrient dense
- Alternative slow carbs
- Lower sugar content/energy foods
- Rapid hand-to-mouth snacks

### The Staying Power of Clean

Another macro trend firmly entrenched in our food culture is the demand for clean, clear and transparent labels and communications. In the U.S., seven in 10 consumers want to know and understand the ingredient list. Further, one in two reads the ingredient label often. And this increased interest in a cleaner label and fresh ingredients is also spurring consumers to adopt flexitarian or vegetarian lifestyles.

These same rules apply to snacks as well. According to an IRI 2018 Snacking Survey<sup>7</sup>:

- 75 percent want snacks that are guaranteed fresh
- 58 percent want snacks that contain vitamins and minerals

- 57 percent want all-natural snacks or made with natural ingredients
- and...

**50%**

state they will pay more for snacks that are healthier

— IRI 2018 SNACKING SURVEY <sup>7</sup>



### Plant-Forward Partners

As consumers embrace healthier, more sustainable lifestyles and eating patterns, watch for a corresponding increase in the number of new meal and snack product offerings that embrace flexitarian or plant-forward dining. A plant-forward based model emphasizes and celebrates but is "not limited to plant-based foods" with a mindful selection of an animal-based protein to accent or complement those choices.

This mindful choice of the right type of protein to accent the plant-based component is very important. The right protein will not only contribute its own assortment of nutrients, but in addition, will actually enhance the body's use of the vitamins contained in the vegetable portion of the meal or snack.

### Non-traditional Introductions

In addition to e-commerce driving double-digit growth across several categories, new, non-traditional outlets account for a growing percentage of snack sales. Consumers find them in gyms, coffee shops, airports, refrigerated snacking cabinets, vending

machines and offices. One office perk that can help retain talent turns out to be free food.

One business consulting firm posted survey results that indicated



**88 percent of employees considered workplace snacks an important benefit, preferring meals and snacks with healthy benefits.**



The survey firm indicated, “they’re looking for new novel products that are going to appeal to Millennials.” Sterling-Rice Group indicated that brands are actually being built through this non-traditional office channel. That’s just where it begins. Sixty-eight percent of employees in that same survey said after being introduced to a new snack at the office, they went on to purchase these snacks and beverages on their own.

This could be one strategy to build brand loyalty as purchasing shifts online, yet snack purchases are often driven by impulse sales. One speaker at Snaxpo18 listed this impulse shopping as “critical” to snack foods. According to Euromonitor only 30 percent of people ages 20 to 30 are making weekly trips to a grocery store in the U.S. Thirty percent are making monthly online grocery purchases and Internet retail of snacks has grown at 20 to 25 percent year-over-year the past five years.

Don’t count out more traditional outlets just yet. “Alternative” snacks were predicted to perform well in C-stores, posting dollar sales increases of 2.8 percent for 2018. This feeds off a demand for more diverse, healthier options in convenient packaging. Regardless of the brick and mortar outlet used for shopping, however, manufacturers cannot discount the connection to a world where 50 percent of retail sales in the U.S. are digitally influenced.<sup>8</sup>

### **Egg Products Form, Function and Flavor**

While hard-boiled eggs might supply the most visual form of an egg product within a snack application, other forms of eggs can play a role in new product creation as well. Whole eggs, egg yolks, egg whites and other specialty products, or precooked eggs in various forms, can help product developers achieve their snack formulation goals.

Egg products are available in multiple forms for ease of storage and use in production—liquid, dried and frozen. Liquid eggs offer a 12-week shelf life; frozen eggs, a shelf life of approximately one year, and the same for dried. Beyond the different forms of whole eggs, egg yolks and egg whites, there are also many specialized egg products available for use in specific applications, such as, high-whip egg whites, high-gel egg whites, sugared or salted egg yolks, and enzyme-modified yolks. These specialized ingredients are often processed in a specific way to maintain functional properties. For example, dried egg white is pasteurized at a slightly lower temperature than other egg products to not prematurely denature the proteins that contribute to its foaming ability. That said, liquid and dried egg products can be used interchangeably in most cases without any noticeable differences in product quality.

In terms of safety, all further processed egg products are pasteurized and tout a safety record stretching more than four decades.

Contact your egg supplier or the American Egg Board for more guidance in selecting the appropriate egg ingredient for your formulation.

Just as snacks come in a variety of forms, so do egg ingredients, with each form supplying functional benefits to suit the application. Eggs as ingredients supply more than 20 functional properties and act synergistically with the vast majority of other ingredients. Among the properties supplied, the list includes aeration, whipping, emulsification, binding, coagulation and many others.

In one case a formulator might need help with product structure, and egg ingredients can help leaven, thicken, aid with texture, aerate or provide richness. Other snacks might be paired up with dipping sauces and egg yolk products can aid with emulsification, for just the right consistency and presentation.

Speaking of presentation, handheld sandwiches cross daypart boundaries for a simple, convenient snack anytime. Precooked egg products can top a bagel, pretzel roll or English muffin, or fill a burrito or taco. Whatever the format, egg ingredients can help.



Nutritionally one large egg supplies:

- **Just 70 calories**
- **6 grams of high-quality protein**

- **5 grams fat**
- **A good or excellent source of 8 essential nutrients linked to various health issues and concerns, including weight management, macular degeneration and cognitive functions**

## Unparalleled Protein Quality

With protein snacks and protein-fortified foods in such strong demand, protein quality becomes a factor for food manufacturers to consider. Eggs contain the highest quality protein among food ingredient options, second only to mother's milk for human nutrition.

According to any measure, egg protein quality remains "eggceptional." The Protein Digestibility Corrected Amino Acid Score (essential amino acid levels in a food) lists eggs at 100. The Biological Value (a measure of how efficiently dietary protein is turned into body tissue) lists eggs at 94. And the Protein Efficiency Ratio lists eggs as the highest of any type of protein tested.

As a "complete" protein, eggs contain all of the essential amino acids the body needs but cannot produce on its own. It is important to remember this refers to a whole egg, such as a hard-boiled egg as a component of a snack box. In terms of macronutrient distribution, 60 percent of the protein is contained in the egg white and 40 percent within the yolk.

Snacks high in protein have shown to keep individuals satisfied longer to help them consume fewer calories throughout the day. And it should be noted that more than 40 years of research has demonstrated that healthy individuals can enjoy eggs without significantly impacting their risk of heart disease.

## Eggs in Everyday Use

Formulators follow the lead of consumers when including eggs in formulations, since **eggs are found in 94 percent of all U.S. households.**



They are popular across consumer demographics and across all dayparts, all year long. A full 82 percent of consumers believe eggs to be a healthier breakfast than cereal.

Consumers like that eggs are:

- All natural
- A good source of high-quality protein
- Gluten-free
- Low in calories

Per capita egg consumption is on the rise and part of this could be due to its growing popularity as a healthy snack option. While egg use as a breakfast item appears among 79 percent of respondents surveyed, consumers also eat eggs at lunch, dinner and as a snack. Thirty-four percent report relying on eggs for an afternoon snack, and 35 percent eat eggs as a weekend snack, according to a Russell Report issued in March 2018.

An overwhelming majority or 92 percent of consumers recognize eggs as a good source of protein, according to 2018 survey results. Three-quarters of Americans recognize the fact that eggs help a person feel full longer and contribute to a healthy diet, they list them as a good source of vitamin D and generally agree with all 20 of a list of positive characteristics associated with eggs.

## Keeping it REAL

Eggs in any form can benefit the product label because most egg products can be listed simply as “eggs” on the ingredient panel.



Think about the ingredient panel on a snack box or small bite—each individual ingredient carries more weight because there are fewer components involved than in an entire meal.

Consumers of all ages are looking for fresh, real ingredients. Innova data (2018) shows that more than 20 percent of Americans consider real ingredients a key factor when deciding on food and beverage purchases. Looking at global product launches, many products call out not just the real ingredients, but often, the fact the product contains real eggs by printing a special, dedicated “burst” or box on the package’s front panel.

As it comes into the spotlight, snacking is changing dietary patterns in America and abroad. What hasn’t changed is the need for reliable, proven ingredients that can deliver functionally, nutritionally and flavorfully. Mindful snacking is gathering momentum because of the wellness benefits it provides. Future snacks will cater to this need. Rely on the unique nutritional benefits and functionality of REAL eggs for snack concepts that meet and exceed consumer expectations.

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## About the American Egg Board (AEB)

The American Egg Board (AEB) is the research, education and promotion arm of the U.S. egg industry. Its mission is to increase demand for eggs and egg products through research and education. The AEB supports American egg farmers by promoting the consistent high-quality and functionality of U.S. eggs and egg products. Visit [AEB.org](http://AEB.org) for more information.

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