CHASING CHEESE SNACKERS

HOW DAIRY PACKAGING KEEPS PACE WITH A NEW GENERATION OF SNACK-HUNGRY CONSUMERS
MOVING AWAY FROM TRADITIONAL MEALS

Longer workdays, more social commitments and less downtime are impacting more than just consumers’ daily schedules — they are revolutionizing their mealt ime, too.

Traditional sit-down breakfasts, lunches and dinners are becoming a rarity for busy consumers who find themselves time-stretched and willing to skip meals on a regular basis.

Many consumers today are more likely to grab a snack than to take time out for a traditional meal.

» The snacking industry, in Europe amounts to €167 billion, making it the highest contributor to the worldwide sales of snack food.¹

» 69% of Europeans snack so that they can satisfy hunger between main meals.²

» 44% of Europeans say that they eat snacks as a meal replacement.³

Going Back to Basics
With more consumers spending time away from home, portability is a key consideration.

» 45% of global consumers of snacks said that all natural snacks are important ⁴, while 31% cited that snacks high in protein were important to them.⁵

» EU household expenditure on food and drink products is at approximately €1,000 billion.⁶

The implications for dairy processors are clear: Gaining market share means tapping into emerging snacking trends and targeting on-the-go consumers with creative products and packaging that complement their changing tastes and lifestyles.

In this eBook, we’ll explore how dairy professionals can stay ahead of the game with today’s consumers.

¹ ² ³ ⁴ ⁵ ⁶ FoodDrinkEurope, Data & Trends, 2013-2014; ² ³ ⁴ ⁵ ⁶ Nielsen Global Snacking Survey, q1 2014 Nielsen;
THE SEARCH FOR PROTEIN

When consumers think about grabbing a snack, there’s a good probability it will be cheese. In Europe, cheese is the third most popular snack choice behind chocolate and fresh fruit. It is preferred over vegetables and cookies.  

More Cheese, Please
So why are consumers reaching for cheese?

First, it’s affordable and made from high-quality ingredients according to 53% of consumers surveyed. Additionally, cheese provides high perceived nutritional value including protein intake (31%) and also the use of organic ingredients (34%).

Protein, in particular, is a key draw for 18+ year olds looking for a quick energy boost. A recent survey showed that 98% of European respondents consumed milk and dairy products daily.

Finally, cheese can be delivered in endless formats and portion sizes, making it the quintessential on-the-go snack food for kids, teenagers, adults and seniors alike.

Over 1/3 of German cheese consumers eat cheese as an alternative to meat.

**CHEESE SNACKS**

- +7.7%

**MEAT SNACKS**

- +11.2%

**TOTAL SNACKS**

- +4.5%

**Source:** IDDBA and Nielsen Research

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1-4 Nielsen Global Snacking Survey, q1 2014 Nielsen. 5 FoodDrinkEurope, Data & Trends, 2013-2014. 6-10 Mintel Food and Drink, 2016.
FOOD FOR THOUGHT: BENEFITS OF NEW FORMATS

Portion control, portability and protein are quickly becoming the “3 P’s” of snacking.

One processor, BelGioioso® Cheese, has combined all three in its new line of snacking products, and has reaped the rewards of being on top of this snacking trend. BelGioioso’s Fresh Mozzarella Snacking Cheese product has delivered a 41% increase in price per ounce versus 8 oz. Mozzarella. And over the past year they experienced a 73% increase in unit sales.

Since launching the hugely successful Fresh Mozzarella product, BelGioioso has extended its product line with launches of Snacking Fontina, Mini Mascarpone and Mini Ricotta.

Source: IRI Comparison of BelGioioso 1 oz Mozzarella Snacking Cheese vs 8 oz fresh mozzarella as of 2/21/16
IRI data includes scanner sales from Grocery Retailers larger than $2MM per year (roughly 85% of the total market). Aldi, Costco, and Whole Foods do not participate in IRI data and are not included.
When it comes to snack packaging in general—and dairy packaging in particular—one size does not fit all. A full 27% of consumers say that portion control is “very important.” 10

Portion control is critical for snacks like cheese because it keeps the product fresh and ensures the serving size is appropriate. “Women especially say they do not want oversized portions.” 11

Today, forward-looking cheese processors are exploring innovative packaging formats that offer portioned sizes and recloseable features that appeal to on-the-go lifestyles. Freshness, convenience and portability are all key advantages of this trend.

**Sampling on the Rise**  
Another key consideration is sampling. In fact, 70% of consumers would buy more cheese if they could sample it first.13 Smaller portions allow these adventurous consumers to taste new products without feeling like they must commit to a full-sized package. Portioned packaging gives them flexibility and peace of mind to sample cheese varieties guilt-free.

A third of consumers believe there are not enough conveniently packaged snacks on the market.12
FOOD FOR THOUGHT:
KEEPING IT SIMPLE FOR BUSY CONSUMERS

Consumers are always on the lookout for better portion control and convenience. The right flexible packaging format can help. Shrink Rollstock, for example, provides a clean, easy-to-read appearance on small packages or complex shapes that is not possible with traditional shrink bags. It can also be enhanced to offer easy opening for snackers who want to save time.

In addition to improving consumer experience, shrink rollstock for portioned cheese can help companies reduce labor and leakers by up to 50%, while increasing throughput up to 10%.
As dairy processors roll out bold, new flavors and more desirable product portions, one key element of the marketing plan remains the same: make the package as dynamic as possible.

Regardless of advertising or external promotions, 73% of purchase decisions are made at the point-of-sale. Therefore packaging must appeal to consumers’ senses to stand out on crowded retail shelves.

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**From Visual to Textured Inks**

When a busy mother picks up two cheese packages to compare side-by-side in the grocery store aisle, a package that incorporates creativity in labeling, formats, visuals and even textured cues will help drive her decision.

Packaging should reflect the brand experience, and since consumers are more willing to experiment with the foods they eat, manufacturers should employ new techniques to convey flavor, product texture and scent.

The right packaging can deliver surprise—as well as a more intense experience for the consumer. When this physical and sensory experience is successful, dairy brands benefit from deeper consumer connections.

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FLAVORS THAT MATTER TO MILLENNIALS

Today, Millennials make up 24% of the entire population of the EU. These Millennials have significant economic clout. They also have a much different flavor palette than their parents.

Ready for Intensity
For example, spicy and intense flavors have gained newfound popularity with this audience. Jalapeno, ginger and garlic are increasingly common in snack products and packaged foods. This quest for more daring tastes and textures creates unprecedented opportunity for new product research and development. It is critical that the package draws attention to these new flavors.

At the same time, Millennials are looking for portability and multi-serve options (in the same package) that give them the opportunity to take food on-the-go or share with friends. Taste, flavor and convenience are all prerequisites in whichever product they purchase.

Finally, Millennials are information seekers. They crave data and knowledge about the foods they consume. So it’s no surprise that 53% say stores should provide more cheese flavor profile and pairing information. Packaging can play a vital role in delivering this kind of information at the point of purchase.

PAIRINGS ON THE RISE

Pre-packaged food pairings are gaining considerable market share with consumers of all ages. Refrigerated trays, for example, have grown 14% over the past year—seeing both unit sale increases and new product launches. Snack cheese categories have grown 7.7%, with 4.2% growth in traditional formats such as stick or string cheese.

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FINDING PROFIT IN PAIRINGS

Many companies are reaping the rewards of offering food pairings based on consumer taste trends.

HILLSHIRE® SMALL PLATES™
More than $10.5 million in sales in first six months\(^{22}\)

KRAFT® P3™
$79.8 million in sales over past year\(^{23}\)

\(^{22}\) IRI Hillshire Snacking latest 52 weeks ending 2/21/16, product launched July 2015. \(^{23}\) IRI: Latest 52 weeks ending 2/21/16. IRI data includes scanner sales from Grocery Retailers larger than $2MM per year (roughly 85% of the total market). Aldi, Costco, and Whole Foods do not participate in IRI data and are not included.
MORE PROFITABLE DAIRY PACKAGING STARTS TODAY

Are you ready to gain more market share in the rapidly changing dairy market? Are you looking for more from your packaging supplier than simply packaging? We have the market insights and transformational strategies that can help you capitalize on today’s emerging trends. Take the next steps today:

1. **Find a better way to boost consumer demand.** Let’s connect about global insights and on-the-pulse consumer trends to spark creativity.

2. **Accelerate your speed to market.** Create a physical or virtual prototype to help you bring the right product to market. Learn about the Bemis Innovation Center at www.bemis.com/bic-tour

**We are here to help you be successful. Contact us today!**

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