# Health and convenience drive impulse food innovation in North America

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Demand in North America for healthy and convenient snacks is driving innovation in the impulse food market, according to a new report â€“ "The World Market for Impulse Food Products" â€“ from Euromonitor International .
In 2004, North America was the second largest regional market for impulse food sales with an approximate 29% value share of the global market. Growth, however, slowed to 2.8% in value terms over 2003, because of market maturity. As a result, new product developments, designed to serve changing consumer lifestyles, are becoming increasingly critical as a means of adding value to the North American market.

## Rising health fears

Health consciousness is on the rise in North America â€“ a trend that has prompted manufacturers to innovate healthier impulse food products. Negative publicity over the health effects of products with high fat and sugar contents, namely savoury snacks, sweet biscuits and confectionery, has had a significant impact on consumer perceptions of the impulse food market. Trans fatty acids and acrylamide, for example, have been under the spotlight due to their contribution to the growing obesity epidemic in the US. In consequence, 2004 saw health conscious Americans curb their consumption of typically unhealthy snacks such as sweet and savoury snacks, resulting in volume growth of only 0.3% in this sector. Value growth reached 3.5% in 2004 â€“ a slightly better result â€“ due to product innovation on the part of manufacturers.

Innovations focused on impulse foods with a healthier image, such as snack bars, while at the same time manufacturers initiated health-orientated new product development and advertising across all sectors. The industry was quick to pick up new health trends such as the high protein Atkins diet in the US. A host of low carbohydrate products were launched in 2003/2004 right across the impulse food market, including Kitkat Low Carb, Rollo Low Carb, Snackwellâ€™s Carbwell biscuits and Quaker Q-Smart snack bars.

In addition to low-carb products, 2003/2004 also saw a slew of new functional product developments in the impulse food market. In addition to sugar-free and organic products, a number of manufacturers introduced products containing added vitamins and minerals, which claim to improve consumersâ€™ health. Euromonitorâ€™s research shows that new functional products were particularly evident in gum, snack bars, and sweet and savoury snacks.

## "On-the-go" lifestyle

Consumer desire for convenient and flexible snacks is also driving product innovation. As consumers lead increasingly fast-paced lives in North America, "on-the-go" food consumption is more prevalent that ever. In the US, for example, Frito-Lay launched a new variety of pretzels in its Rold Gold Mini Go Snacks range. The packaging for this product is a plastic canister with a cap that also doubles as a snack cup, offering portability and resealability in one product, whilst also retaining mini-sized product portions. Similarly, in the US chocolate confectionery sector in 2004, Mars launched a new stand-up carton for its Celebrations brand of miniaturised chocolate products, which resulted in increased sales intended for gifts.

Snack bars also benefited from the trend towards convenience and portability. In volume terms, the sector grew by 49.3% between 1998 and 2004. Energy bars led snack bar growth in 2004 due to increased demand from time-pressed consumers seeking convenient breakfast or lunch replacements. Granola, fruit and breakfast bars also recorded favourable rates of growth in 2004.

## Innovation critical for future

Euromonitor International expects the impulse food market to experience sluggish value growth over the next five years - although market maturity is not the only reason for this slow growth. Supermarket and discounter proliferation is also expected to cause downward pressure on prices, which will undoubtedly stifle growth. Innovation will continue to be critical in creating market value, which means that product development must continue to adapt to changing consumer trends.

This report provides a comprehensive guide to the size and shape of the market for impulse food on a global scale. It provides the latest retail sales data allowing you to identify growth markets at the regional level, as well as in over 50 individual countries. It identifies the leading companies, the leading brands and offers strategic analysis of the factors influencing the market. Forecasts to 2009 illustrate how the market is set to change.

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