Fruit Snacks Buoyed By Health And Wellness Trend...

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But Special Attention Required

Euromonitor International's latest packaged food data shows that fruit snacks are among the best-performing categories in sweet and savoury snacks.

By the end of 2012, on a global level, fruit snacks are projected to have made value gains of just over 5%, compared to chips/crisps' 3% and the 4% growth trajectory currently being recorded for tortilla/corn chips and extruded snacks. Overall, sweet and savoury snacks is heading for a 4% global value sales increase in 2012, marking out fruit snacks as a definite growth driver.

In Asia Pacific, fruit snacks are leading the pack with a projected 13% value increase for 2012, and in Latin America they top the growth charts with a deeply impressive 20%. The category's notable performance in Latin America is in great part down to PepsiCo's Natuchips brand, which accounts for almost half of regional value sales (US$20 million) in 2012. The brand leads in major markets like Colombia and Venezuela, and has a presence in several others in the region.

The healthy snack conundrum
The runaway success of PepsiCo's Natuchips in Latin America is not entirely down to their healthiness, at least not in absolute terms. Instead of potato or corn, this product is largely based on plantain (yucca and other starchy root variants also exist), which counts as an important carbohydrate staple food in this geography. Like a standard potato chip product, Natuchips are fried in oil. As a result, weight for weight, Natuchips contains almost as much fat and calories as its sister brand's Lay's Original Potato chips.

However, besides successfully leveraging their advantage as a traditional, regionally popular food, plantain chips do benefit from being perceived as a healthier, more nutritious alternative to conventional potato chips.

Considering that the health consciousness of the Latin American consumer base is constantly increasing, one might assume that BFY reduced-fat versions of this product would soon rise to major prominence in the region. But caution is advised.

Healthy snacks, and BFY variants of fried snacks in particular, require intensive research and development investment, followed by much dedication to keep them on retailers' shelves. They also tend to offer much lower returns compared to their conventional mass market snack food counterparts.

For example, PepsiCo decided to withdraw its Lay's Flat Earth Baked Veggie Crisps (a low-fat extruded snack product) from the US market in 2009 after just two years, due to sales volume falling far short of what the company had envisioned. Euromonitor International health and wellness data shows that, despite widespread and long-standing availability, reduced-fat sweet and savoury snacks account for just 5% of overall sweet and savoury snack value sales in North America in 2010 despite heavy investment and promotion.

Planned vs. impulse snacking
Healthy snacks, regardless of profitability issues, are an important part of major players' product portfolios, because companies' reputations do not only rest on the success of their blockbuster brands, but are also built on snack manufacturers' willingness to engage with problematic health issues, such as rising global obesity levels . Consumers appreciate these offerings, even if they do not generate a following equivalent to that of their far more calorific equivalents.

Precise targeting and realistic sales expectations are key. The fact that snack food products are primarily an impulse purchase is an important consideration. When people get hungry, health concerns are quickly forgotten; a pack of deep fried, golden corn chips tends to look at lot more appealing than dried apple rings. Furthermore, for many consumers, whether they try to eat healthily the rest of the time or not, the act of snacking is intimately linked with the enjoyment of indulgence.

One way to counteract hunger-induced poor snacking choices is to promote the concept of planned snacking. If a healthy fruit snack becomes a staple component of someone's packed lunch, or takes up permanent residency in their car's glove compartment for on-the-road snacking, then a health conscious consumer will be far less tempted to visit the next petrol station for calorie-laden indulgences at the spur of the moment.

Promoting healthy fruit snacks on a planned snacking platform means that they need to be available in multi-pack format. However, because consumers will want to try a product before they can be expected to commit themselves to bulk purchases, adequate availability of single packs has to remain part of the strategy, as do in-store tastings and promotions.

Children's snack market expands

Another core target group for fruit snack products is, of course, children. Generally, parents want their children to eat healthily, and also, in the wake of the childhood obesity crisis, many schools in a growing number of countries, including the US, the UK and Mexico, have banned the sale of unhealthy snack foods from their premises, increasing the potential for these products significantly.

The number of fruit-based snack foods aimed at children is on the increase, with some interesting innovations evident. UK-based newcomer Nim's Fruit Crisps, for example, which started trading in October 2011, specialises in air-dried fruit crisps made from entire fruits (whenever possible), including skins, cores and pips. This way, according to the company, the product retains most of the nutritional value of the original fruit.

The Nim's Fruit Crips range includes Apple & Strawberry, Pineapple & Mango, Orange & Melon, Apple & Kiwi and Pear & Kiwi, with new varieties being developed. The products are free of additives, which heightens their parental appeal. A range of child-targeted products is planned for the end of October 2012. The new line will concentrate on single-flavour products â€“ a strategy geared towards bringing the products' price point in line with those of other snacks commonly purchased from school kiosks and vending machines.

Private label is also shaping this trend. Sainsbury's, The UK's third-ranking grocery retailer in 2011, launched a range of fruit-based snacks targeted at children, including Bite Sized Apricots, Juicy Blueberries, Fairtrade Strawberry and Lemon Flavour Raisins in August 2012. The snacks come in convenient, highly portable mini packs.

Driving growth in the global sweet and savoury snacks market , fruit snacks are clearly on the ascent, but it is important to remain realistic. BFY variants of deep fried plantain in Latin America, for instance, are unlikely to turn into mass market triumph in terms of displacing standard fried offerings, but that does not mean that crunchy, baked variants will not be successful in their own right if promoted on a planned snack platform geared towards health conscious adults or at children purchasing their break-time snacks in a health-focused school environment.

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