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MARKET ACCESS SECRETARIAT
Global Analysis Report

Consumer Trends
Snack Bars in the United Kingdom

February 2014

EXECUTIVE SUMMARY

- The snack bar market in the United Kingdom (U.K.) was valued at US$821.1 million in 2012, benefitting from a nation of consumers looking for convenient, on-the-go meal and snack options. The market is expected to grow to US$1.05 billion by 2017.
- Close to half (47%) of British adults eat snacks on-the-go (while away from home, work or place of study) at least once a week. Mintel estimates there are 6.4 billion on-the-go adult snacking occasions annually, with 16-24 year olds and 35-44 year olds together accounting for around 1.5 billion of those occasions.
- Furthermore, close to 18% of adult consumers in the U.K. report snacking on-the-go at least once a day. This rises to 33% among 16-24 year olds and 38% among students, according to Mintel (June 2010).
- Consumers in the U.K. are particularly big on-the-go breakfast eaters, with 22% of adults having breakfast outside of the home at least once a week. This trend is more prevalent amongst men (27%), consumers who work or go to school full-time (33%) and the 25-34 age demographic (38%), according to Mintel (February 2011).

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INTRODUCTION

- The snack bar market in the United Kingdom (U.K.) was valued at US$821.1 million in 2012, benefitting from a nation of consumers looking for convenient, on-the-go meal and snack options.

- A 2012 Mintel survey found that 67% of adults have eaten a cereal, energy or snack bar within the six months ending November 2012.

- According to the same survey, women under 35, living in large households, and those with children recorded the highest consumption of cereal bars. Consumers over 55 years of age showed the lowest consumption rate of cereal bars.

- Close to half (47%) of British adults eat snacks on-the-go (while away from home, work or place of study) at least once a week. Mintel estimates there are 6.4 billion on-the-go adult snacking occasions annually, with 16-24 year olds and 35-44 year olds together accounting for around 1.5 billion of those occasions.

- Furthermore, close to 18% of adult consumers in the U.K. report snacking on-the-go at least once a day. This rises to 33% among 16-24 year olds and 38% among students, according to Mintel (June 2010).

- Consumers in the U.K. are particularly big on-the-go breakfast eaters, with 22% of adults having breakfast outside of the home at least once a week. This trend is more prevalent amongst men (27%), consumers who work or go to school full-time (33%) and the 25-34 age demographic (38%), according to Mintel (February 2011).

- While cereal and snack bars cannot be sold in British schools under School Food Trust (SFT) guidelines, many schools do accept them as part of a packed lunch. This makes the lunchbox occasion a very lucrative market for snack bars.

- Retail sales of snack bars are expected to register a compound annual growth rate (CAGR) of 3.0% from 2012 to 2017, to reach an estimated US$1.05 billion by 2017.

Retail Sales

- A number of consumer trends have worked in favour of the snack bar market in the U.K., such as the longer-term rise in snacking on the go, as well as an overall rise in snacking between meals.

- The ongoing public focus on healthy eating has also benefited the snack bar market. Snack bars are widely perceived as a healthier alternative to products like chocolate or confectionery, but due to product variation, they also enjoy a strong image as a treat.

- Product developments and innovation have been key drivers of growth in recent years, supporting visibility and consumer interest, and helping attract new clients to the market.

- The projected growth of the upper middle class in Britain will undoubtedly continue to provide growth potential, since this group is the most likely to buy expensive, higher quality snack bars.

Snack Bars Market Size in the United Kingdom
Historic/Forecast Retail Value Sales in US$ millions

Categories	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Snack bars	631.8	677.9	726.8	772.4	821.1	870.3	915.0	954.7	1,005.2	1,050.8
Breakfast bars	403.4	411.7	421.9	428.1	432.8	436.4	432.6	424.3	426.6	429.1
Granola/muesli bars	98.1	109.4	129.8	149.6	168.0	187.3	206.9	224.8	241.1	255.4
Other snack bars	68.3	84.6	92.0	100.5	111.9	122.2	133.3	144.9	157.3	170.4
Energy and nutrition bars	37.6	48.5	59.9	71.6	86.2	102.5	120.8	139.6	159.6	175.7
Fruit bars	24.4	23.7	23.1	22.6	22.2	21.9	21.5	21.1	20.7	20.1

Source: *Euromonitor, 2013.* ***Note****: Calculated totals/sub-totals may not add up to exact figures due to rounding.*

- The snack bars category is comprised of breakfast bars, granola/muesli bars, other snack bars, energy and nutrition bars, and fruit bars. It reached a market size of US$821.1 million in 2012, an increase of 3.1% from 2011 and a CAGR of 4% since 2008. Overall, the snack bars market has grown 23% in value since 2007.

- Breakfast bars represented over 50% of all snack bar sales in 2012, but continues to decrease in demand, as other sub-categories such as granola/muesli bars and energy and nutrition bars continue to gain popularity with consumers seeking healthier and more natural snack bars.

- Over the forecast period, the value of the snack bars category is expected to continue to grow at a CAGR of 3%, and its volume is expected to grow at 4%. The category is expected to reach over US$1.05 billion in value sales by 2017.

- Breakfast bars are expected to decrease in value growth over the forecast period with a negative CAGR of 2.1%, while energy and nutritious bars are expected to continue to gain popularity, recording a CAGR of 13% over the same time.

Competitive Landscape

- The snack bar sector is in competition with a wide variety of other snack products ranging from chocolate to sandwiches. Cereal, snack and energy bars are only recently gaining traction in the mainstream market, compared to long-established snack sub-sectors with more potential to attract both new manufacturers and users.

- While sales are growing, cereal, snack and energy bars still comprise a much smaller market compared to most leading snack categories such as chips, cakes and chocolate confectionery.

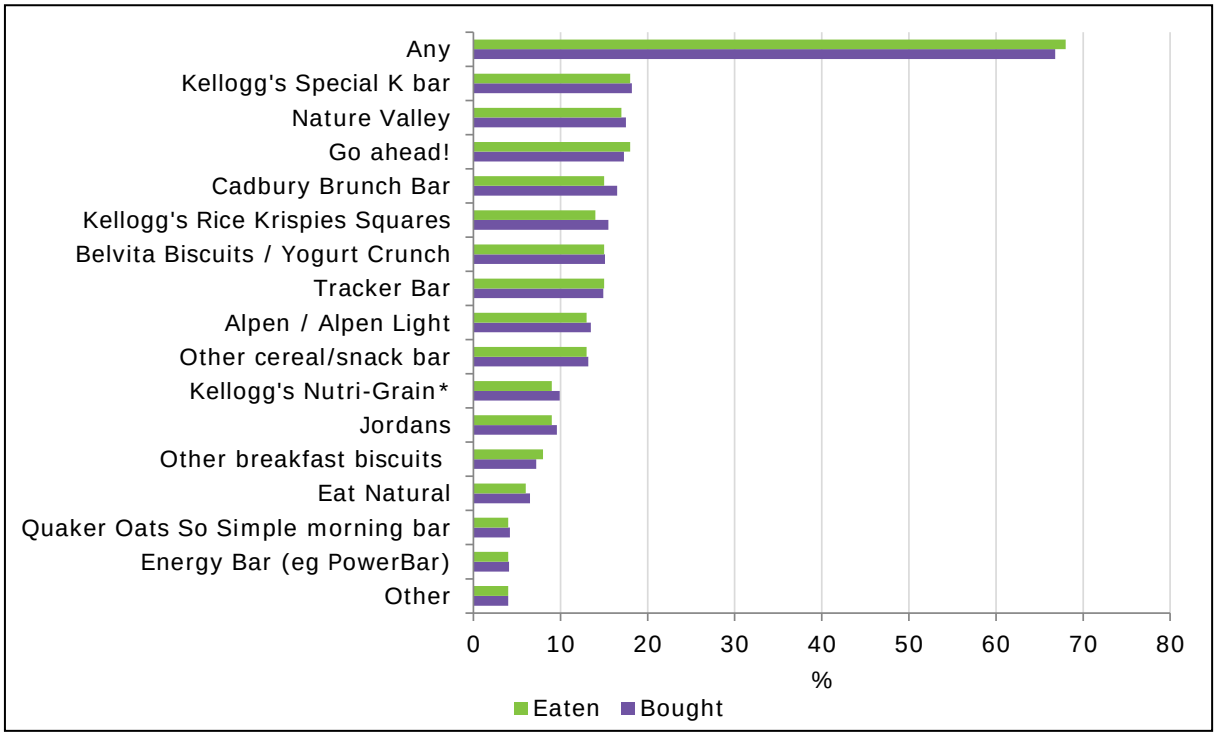
- Communicating fruit content is a major way in which British snack bar brands are working to increase their natural health credentials.

- Despite its competitive environment, there are opportunities for cereal, snacks and energy bars. For example, the world of sports has become a key area for the snack bar category in the U.K. Brands

are becoming more specific regarding the type of athletic support they provide, and the type of benefits they can offer to athletes.

- As the British snack bar market is currently going through a period of growth, manufacturers from other categories, such as biscuits, are looking to the category to extend their brand presence.

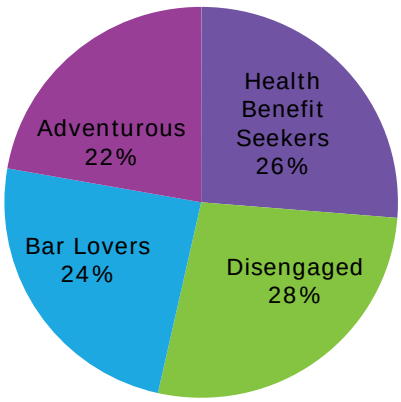
Type of Cereal, Snack and Energy Bars Consumed in the United Kingdom – November 2012



Source: *Mintel, 2013.*

Consumer Attitudes

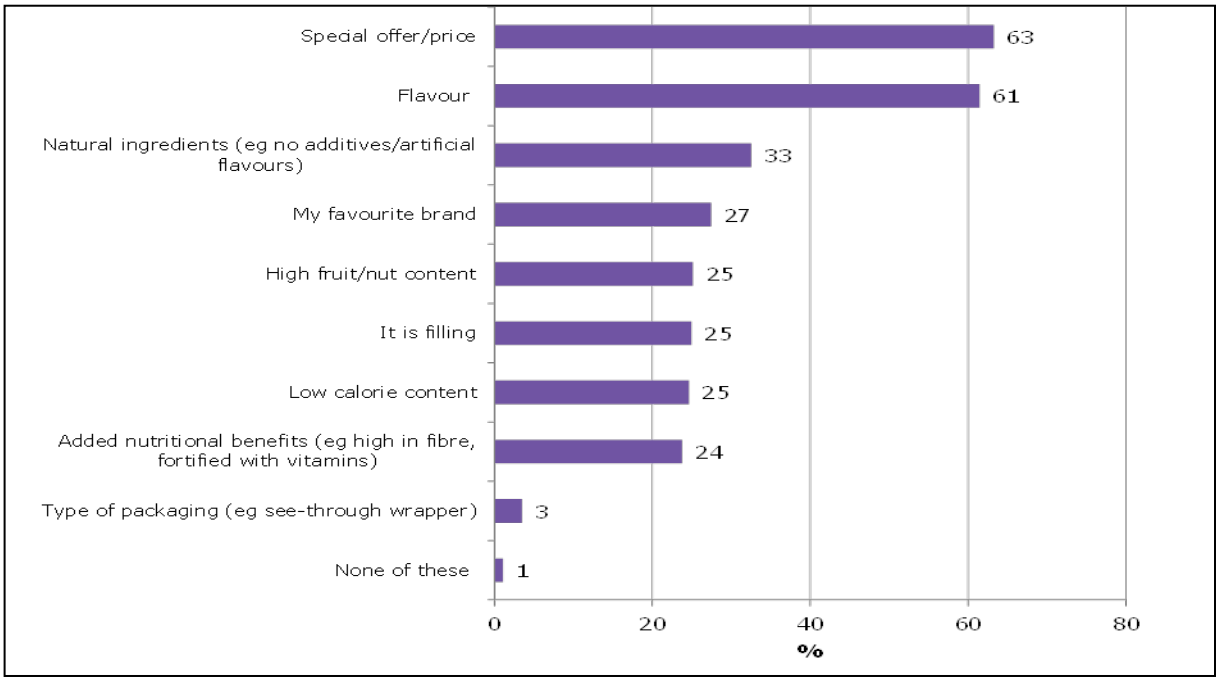
- In a recent survey, Mintel identified four target groups among adult British consumers according to their attitudes toward cereal, snack and energy bars. Compared to average consumers, these users are all more likely to eat cereal bars as an alternative to other snacks, or as an accompaniment to hot drinks. They are also more likely to use snack bars as a part of both adult and children's lunches.

Adventurous (22%) Interested in new types of bars. Convenience and functionality play a major role. Characterised by 25-34 year olds, and households with incomes of US$39,000		**Health Benefit Seekers (26%)** Strong interest in health-related attributes. Keen on new types of bars. Characterised by women, over-45s, households with incomes of US$39,000 and those without children.
Bar Lovers (24%) Show high enthusiasm for snack bars. Positive value perception. Interested in natural ingredients and added nutritional benefits. Geared towards the under-45s, Londoners, those employed full-time, and households with incomes of US$24,000-US$39,000.		**Disengaged (28%)** Characterised by apathetic and unemotional approach to cereal bars. Price-driven shoppers. Geared towards 16-24 and 45-64 year olds, and households with incomes under US$24,000.

Source: *Mintel, 2013.*

- The survey also demonstrates consumers preferences for cereal, energy and snack bars. Two thirds of respondents stated that flavour and a special offer or price would be the most important factor in selecting a cereal, energy and snack bar. One third of participants stated natural ingredients would be their most important factor (see chart below).

Factors Influencing Choice of Cereal, Energy and Snack Bars in the United Kingdom, November 2012



Source: *Mintel, 2013*

Snack Bar Trends

Weight management bars

- Snack bars in the U.K. are often positioned as offering a convenient nutritional solution for a meal or snack. By offering consumers products that claim satiety, fat burning benefits, additional nutrition, portion and calorie control, the snack bar sector is seen as assisting consumers with weight management, and appeals to those who are body conscious, or working to reach health goals.

- The following are some examples of snack bar products in the U.K. that target weight management trends.

100 calories or less

Marks & Spencer Apple & Cinnamon Cereal Bars
These bars contain 100 calories or less and are said to be packed with satisfying oats, barley and wheat.

Portion control

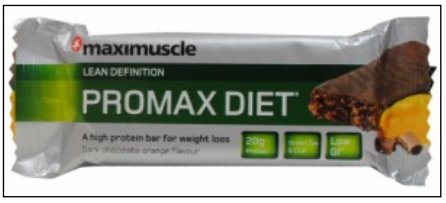
Morrisons Eat Smart Apricot & Peach Cereal Bars
These come in a package containing six bars. Each 25g bar is worth two Weight Watchers Propoints.

Protein

Pulsin' Protein Sport Bar
This snack bar is 100% natural protein, and is formulated to replace a meal or to help recover from exercise.

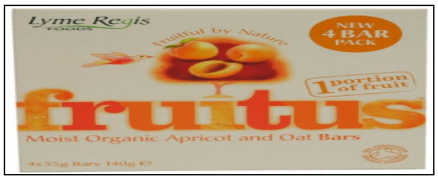
Meal replacement

Celebrityslim Chocolate Fudge Flavour Meal Replacement Bar
This bar is formulated for weight control. According to the manufacturer, one bar is equal to one meal as part of the Celebrity Slim program.



Maximuscle Promax Diet High Protein Bar
This snack bar is formulated for weight loss. It is described as a nutritious high protein snack bar formulated with green tea, CLA, xylitol, and a BioMax fast-acting whey protein.

Lyme Regis Fruitus Moist Organic Apricot and Oat Bars
These bars are all natural, contain over 50% fruit and are high in fibre.



Unique flavours and sensory properties

- As many brands are looking to the snack bar category for growth opportunities, manufacturers should look to other snacking segments for flavour inspiration. The trend towards unique combinations and interesting sensory properties is growing more and more in the U.K.

Source: *Mintel, 2012*

- For example, Wild Trail Foods offers a product that combines other snacking favourites into a single bar. The product is described as “handmade,” suggesting heightened sensory appeal, and is made with a mixture of popcorn, seeds, as well as apple and raspberry pieces, all under a yogurt coating.

Time-of-day / specific stage targeting

- Brands across the sports and energy sector are aiming to provide more targeted benefits and support throughout different stages of the sports experience. For example, the Multipower brand’s snack bar formulations that offer support before, during and after exercise are illustrated below.

Before exercise

Energy+Fruit Supply Bar

This Banana-Twist Energy+Fruit Supply Bar is said to provide a fast release of carbohydrates before and during exercise.

During exercise

Power Pack XXL Energy Bar

This bar claims to provide optimal energy outflow during training, while ensuring a supply of proteins for the body.

After exercise

Chocolate Recovery Bar

The product is said to provide carbohydrates and proteins to the body in order to promote muscle regeneration.

Source for all: *Mintel, 2012.*

Vegetarian

- A number of brands have labelled their snack bars as vegetarian in order to appeal to a new market segment. Vegetarian-labelled products were one of the top claims in new snack bar products launched over the past two years.

Source for all: *Mintel, 2013.*

Market Shares by Brand

- Kellogg Co. of Great Britain had 27% of the value share of snack bars in 2012. The company owns popular brands Rice Krispies, Special K, and Nutri-grain, whichaccounted for 9.9%, 6.5% and 5.0% of all value snack bars sales in 2012.

- The companies Weetabix Ltd. and General Mills UK Ltd. had the second- and third-largest value shares of snack bar sales in 2012 (with 7.7% and 6.7% respectively.) General Mills increased its share by over one percent from 2011 due to the success of its Nature Valley brand, which features healthy granola/muesli bars. The company also benefited from its successful bid to be the official snack bar sponsor for the London 2012 Olympic and Paralympic Games. Nature Valley snack bars were sold and distributed to athletes, volunteers and staff of the London 2012 Olympics and were available at concessions stands. As the brand continues to grow in popularity, new flavours and varieties have been introduced. It is expected that General Mills will continue to strengthen its presence in the snack bars category.

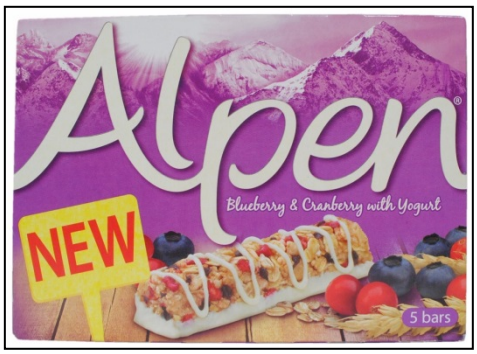
- Weetabix Ltd. has showcased innovation in its products. The company has combined flavours popular within the cakes category with snack cereal bars. The company's 2012 brand, Bakewell, provides wholegrain snack bars containing wheat flakes, oats and cherry pieces with a yogurt drizzle. The product retails in packages of five and is also available in other fruit flavours. Bakewell products are seen as a healthy option, allowing Weetabix to capitalize on the natural trend consumption.

- A small group of manufacturers each hold from 1% to 7% of the market, and a number of companies hold less than 1%, indicating the variety of players in the British market. The entrance of private label into this small group is notable, which has added a new element of competition to the market.

Source: *Euromonitor, 2013*

Source: *Mintel, 2013*

Source: *Mintel, 2013*



Source: *Mintel, 2013*

Market Shares by Brand of Snack Bars in the United Kingdom
Based on % Retail Values Sales

Brand	Company name	2008	2009	2010	2011	2012
Kellogg's Rice Krispies	Kellogg Co	7.3	8.9	8.9	9.2	9.9
Alpen	Weetabix Ltd	6.5	6.4	6.0	7.4	7.4
Nature Valley	General Mills Inc	2.0	2.8	4.4	5.3	6.7
Kellogg's Special K	Kellogg Co	9.3	9.5	8.7	6.4	6.5
Go Ahead!	United Biscuits (Holdings) Plc	6.4	6.4	6.7	6.6	6.2
Jordans	Associated British Foods Plc (ABF)	-	6.4	6.2	6.0	5.8
Kellogg's Nutri-Grain	Kellogg Co	11.4	9.5	6.8	5.8	5.0
Tracker	Mars Inc	3.8	3.6	3.5	3.5	3.5
Maximuscle	GlaxoSmithKline Plc	-	-	-	2.3	2.6
Cadbury Brunchbar	Mondelez International, Inc	-	-	-	-	2.6
Eat Natural	Eat Natural Ltd	2.0	2.1	2.2	2.4	2.5
Fruit Bowl	Stream Foods Ltd	2.0	1.8	1.6	1.5	1.4
Geobar	Traidcraft Plc	1.5	1.6	1.4	1.3	1.1
Real Fruit Winders	Kellogg Co	1.6	1.4	1.3	1.2	1.0
Precision Engineered	NBTY Inc	-	-	-	0.9	1.0
Harvest	Big Bear Group Plc	1.2	1.2	1.1	1.0	1.0
Kellogg's FiberPlus	Kellogg Co	-	-	0.9	0.9	1.0
Nesquik	Cereal Partners Worldwide SA	0.8	0.7	1.1	1.0	0.9
Dorset Cereals	Wellness Foods Ltd	0.9	0.9	0.9	0.8	0.8
PowerBar	Nestlé SA	0.4	0.5	0.6	0.6	0.6
Kellogg's Frosties	Kellogg Co	0.7	0.7	0.7	0.7	0.6
Cheerios	Cereal Partners Worldwide SA	0.9	0.7	0.7	0.6	0.5
Golden Grahams	Cereal Partners Worldwide SA	0.8	0.7	0.6	0.5	0.5
Kellogg's Corn Flakes	Kellogg Co	0.7	0.6	0.6	0.5	0.5
Clif	Clif Bar & Co	-	-	0.0	0.3	0.4
Kellogg's Coco Pops	Kellogg Co	0.6	0.5	0.5	0.4	0.4
Weetos	Weetabix Ltd	0.5	0.4	0.4	0.4	0.3
Kellogg's Pop Tarts	Kellogg Co	0.5	0.4	0.4	0.4	0.3
Yu!	Elite Healthy Foods Ltd	-	-	0.0	0.0	0.1
Cadbury Brunchbar	Kraft Foods Inc	-	-	3.0	2.8	-
Maximuscle	Maxinutrition Ltd	-	-	2.0	-	-
Body Fortress	NBTY Inc	0.6	0.8	0.9	-	-
Cadbury Brunchbar	Cadbury Plc	3.1	3.0	-	-	-
Maximuscle	Maximuscle Ltd	1.5	1.8	-	-	-
Jordans	Jordan Cereals Ltd, W	6.6	-	-	-	-
Cadbury Brunchbar	Cadbury Schweppes Plc	-	-	-	-	-
Benecol	Raisio Oyj	-	-	-	-	-
Harvest	PepsiCo Inc	-	-	-	-	-
McVitie's	United Biscuits (Holdings) Plc	-	-	-	-	-
Private label	Private Label	8.1	7.9	7.4	6.9	6.3
Others	Others	18.3	18.6	20.4	22.4	22.3

Distribution Channels

- According to a 2011 food retailing report from Mintel, the shopping landscape in the U.K. is becoming increasingly homogenized as the top four grocery chains, Tesco, Sainsbury's, Asda (Walmart) and Morrisons, expand their store numbers.

- The report also found that these "big four" are used by 83% of consumers as their main destination for grocery shopping, with a just slightly lower percentage (81%) using them for top-up shopping.

- Reflecting the trend seen in other food categories, grocery retailers account for the majority (96.1%) of snack bar sales in the U.K.

Sales of Snack Bars in the United Kingdom by Distribution Format
Based on % Retail Value Sales, 2008 to 2012

	2008	2009	2010	2011	2012
Store-Based Retailing	96.4	96.4	96.3	96.2	96.1
Grocery Retailers	94.4	94.2	94.5	94.3	94.4
Supermarkets	33.1	32.2	32.0	31.7	31.8
Hypermarkets	31.3	31.0	31.2	31.4	31.5
Discounters	2.4	2.6	2.7	2.7	2.7
Small Grocery Retailers	25.5	26.3	26.5	26.4	26.5
Convenience Stores	9.0	9.5	9.6	9.6	9.6
Independent Small Grocers	14.0	14.2	14.3	14.2	14.2
Forecourt Retailers	2.5	2.6	2.7	2.6	2.6
Other Grocery Retailers	2.1	2.1	2.0	2.0	2.0
Non-Grocery Retailers	1.9	2.2	1.8	1.9	1.7
Health and Beauty Retailers	0.9	1.0	1.0	1.0	1.0
Other Non-Grocery Retailers	1.0	1.2	0.9	0.9	0.6
Non-Store Retailing	3.6	3.6	3.7	3.8	3.9
Vending	0.4	0.2	0.2	0.2	0.2
Home shopping	-	-	-	-	-
Internet Retailing	3.2	3.4	3.5	3.6	3.7
Direct Selling	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0

Top Grocery Retailers in the United Kingdom, 2012

Company	Number Of Outlets	Total Grocery Market Share %
Tesco	3,141	17.00
Sainsbury	1,106	9.36
Walmart (Asda)	564	8.16
Morrisons	498	6.46
Co-operative Group	4,530	4.01

Source: *Planet Retail, 2013*

Product Extensions and Innovation

- According to Mintel Global New Products Database, between July 2011and July 2013, a total of 283 new products were launched under the cereal, energy and snack bars category.

- Kellogg's, the leading snack bar brand in the U.K., has developed several extensions from its breakfast cereals market, including the child-oriented Frosties bars, Coco Rocks (from its Coco Pops cereal brand) and the light Special K bars. Replacing the Special K Chocolate Chip bar, the company launched a Special K Double Milk Chocolate bar in May 2011, exclusively into the convenience store channel.

- Kellogg's Elevenses bars are uniquely positioned as a mid-morning snack, following the British tradition of the same name. This brand is sold in a five-variant range including: Golden Oat, Raisin, Ginger, Chocolate Chip and Cherry Oat. Fibre Plus bars are available in Chocolate & Almond, and Milk Chocolate varieties, and the brand claims to provide 20% of an adult's recommended daily fibre requirement.

- A combination of chocolate and a cereal bar, McVitie's Medley bars were launched in 2010 to capitalize on the trend for on-the-go snacking. The range includes Hobnobs Raisins and Milk Chocolate, Hobnobs Peanuts and Milk Chocolate Chips, and Digestives Hazelnuts and Milk Chocolate.

- Kraft Foods' Belvita brand was introduced in the U.K. market in Milk and Cereals, and Fruit and Fibre variants, adding Honey & Nuts, and Crunchy Oats in early 2011, and then Forest Fruits and Muesli variants in January 2012.

- Vegetarian, no additives/preservatives and environmentally friendly package continued to be the most popular claims in new cereals, energy and snack bar products. More and more companies are using the claim vegetarian to attract consumers looking to eat healthy while restricting their protein intake to only certain types of foods.

- While the top flavour for new launched products continued to be chocolate, the GNDP Mintel search suggests that fruity flavours such as apple, strawberry and cranberry are gaining popularity.

Top Claims for New Cereal, Energy and Snacks Bar Products Launched in the United Kingdom from July 2011 to July 2013

Claim	Number of New Products
Vegetarian	179
No additives/preservatives	117
Ethical - environmentally friendly package	81
Low/no/reduced allergen	57
High/added fiber	46
Wholegrain	38
Low/no/reduced fransfat	36
Gluten-free	32
Slimming	31
Kosher	31

Source: *Mintel, 2013*

Top Flavours for New Cereal, Energy and Snacks Bars Products Launched in the United Kingdom from July 2011 to July 2013

Flavour (including blends)	Number of New Products
Chocolate	23
Fruit	11
Apple	10
Strawberry	10
Cranberry	7
Berry	6
Nut	6
Chocolate (Milk)	6
Peanut	4
Milk	4

Source: *Mintel, 2013*

New Product Examples

Company: Aldi
Brand: Harvest Morn
Date published: August 2011
Price: $2.04

Description: Harvest Morn Golden Bakes are golden-baked bars with a forest-fruit flavoured filling. According to the manufacturer, they are a nutritious snack for any time of the day. This product retails in a 198 g recyclable pack containing 6 x 33 g bars.

Claims: Ethical - environmentally friendly package, on-the-go

Company: Asda
Brand: Asda Chosen by You
Date published: May 2012
Price: $2.37

Description: These chocolate cereal bars contain less than 90 calories and no artificial colours, flavours or hydrogenated fat. They are said to be suitable for vegetarians, high in fibre, and retail in a 105 g recyclable pack containing five bars.

Claims: No additives/preservatives, low/no/reduced calorie, high/added fibre, ethical - environmentally friendly package, low/no/reduced transfat, vegetarian

Company: Weetabix
Brand: Weetabix Oaty Bars
Date published: August 2011
Price: $2.26

Description: Weetabix Oaty Bars Toffee Dazzler Cereal Bars are available in a 15 g pack, which contains five bars suitable for lunch boxes. These vegetarian cereal bars contain toffee pieces and are drizzled with a yogurt-flavoured coating. They are high in fibre, low in salt and free from artificial colours and flavours. The product contains 90 calories per bar and less than half the sugar of the average kids cereal or fruit bar.

Claims: Children (5-12), high/added fibre, low/no/reduced calorie,/no/reduced sodium, low/no/reduced sugar,additives/preservatives,

Company: Sci-MX Nutrition
Brand: Sci-MX
Date published: February 2013
Price: $3.97

Description: Sci-Mx Caramel & Vanilla High-Protein Nutrition Bar is described as a delicious muscle-building snack, with a GRS-5 gradual protein blend, and an eight-hour amino acid supply to muscles. The product retails in a 60 g pack

Claims: High protein, weight and muscle gain

Source for all: *Mintel, 2013*

RESOURCES

Mintel 2013

Euromonitor 2013

Planet Retail 2013

Snack Bars in the U.K.

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