



EATING IN CANADA

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THE DISRUPTORS

Millennials' penchant for snacking is serving up both challenges and opportunities for retailers and CPGs

SHIFTING EATING PATTERNS amongst millennials is having a significant influence on the Canadian food and beverage marketplace, disrupting many mature and iconic "sit down" categories and brands while offering opportunities for foods and beverages that are convenient, widely available and portable.

As millennials' lives are increasingly busy, they more often turn to snacks to help them power through their days. Almost a quarter of millennials report a style of eating that focuses on mini-meals (five or more small meals per day) while foregoing traditional meals almost altogether, according to Ipsos FIVE research.

Shifting the spotlight from traditional meal regimes to more frequent, smaller meals poses a striking challenge to manufacturers, retailers and foodservice operators who have, for decades, built strategies

around traditional breakfast, lunch and dinner dayparts.

But considering the importance of this group, it is absolutely critical to keep up with the needs and emerging factors that will drive millennials' choices.

HEALTHY FRESH

A quarter of all fresh fruits and vegetables consumed at a snack occasion are eaten by millennials. While perishability of fresh snacks appeared to be a concern when choosing a snack in the past, the consumption rate of fresh items among these individuals has risen 3% in year-over-year tracking, driven by a growing demand for real food options that are fresh, not processed and locally sourced.

As millennials increase their consumption of healthy snacks, this group is seeking functionality from snacking rather than an "absence of" ingredients. Millennials

over-index for consuming snacks that are organic, no-sugar-added, vitamin-enriched and fortified, compared to other cohorts.

Millennials also are more likely than others (index of 120) to seek specific benefits from snacks such as aiding digestive functions, improving the condition of skin, hair and nails and enhancing memory or mental functions.

ADOPTION OF PLANT POWER

Millennials over-index in the consumption of vegan/vegetarian items at snack (index of 135). Additionally, millennials are more likely to search online for terms related to plant-based snacking including higher search rates concerning chia, kefir and seaweed, denoting their interest in plant-based foods and beverages.

However, the requirement for protein remains quite strong among both trailing

millennials (index of 129) and leading millennials without kids (index of 145). As well, consumption of meat protein snacks remains strong among millennials (index of 118), perhaps denoting a desire for a flexitarian-type style of snacking that sees consumers eating fewer meat protein snacks while not giving them up completely.

FEAST EXPERIENCE

Finally, millennials are the quintessential "binge" generation. Consider millennial-created indulgences such as the Saturday night pre-drinking routine, live-streaming video gaming or binge-watching television. This desire to treat themselves also extends to snacking, particularly in the evening after a demanding day. Key to the indulgent snack experience is consumption while watching movies and socializing.

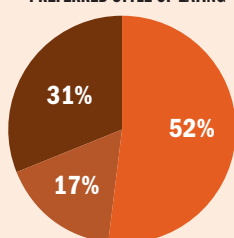
There is little doubt that millennials remain a must-win generation, particularly given their sheer size, broadening and burgeoning sphere of influence and their rising spending power.

While targeting their love of snacking will provide a significant opportunity for growth for manufacturers and retailers, it will be those companies that have the rigour and discipline to evolve their value proposition to meet the differentiated needs of millennials as they age and evolve, that will win their wallets. **CG**

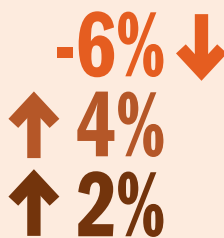
HOW MILLENNIALS EAT

- Eat 3 traditional meals a day and seldom snack
- Eat 5-6 or more small meals throughout the day
- Eat 3 traditional meals a day and often snack
- Index

% OF INDIVIDUALS' PREFERRED STYLE OF EATING



YOY CHANGE AMONG MILLENNIALS



MILLENNIALS INDEXED TO TOTAL

Over-index = more than 120
Under-index = less than 80

