

keeping up with CONSUMERS



The summer holidays are behind us and the second half of 2018 is gleaming with bright opportunities for the savoury snacks sector – if your company is agile enough to spot them quickly. Where will the journey take us? Sebastian Emig seeks enlightenment

THE tendency for consumer demand to fragment shows no sign of slowing and snackers are looking to purchase more products that are specifically tailored to meet their individual needs, as well as the latest emerging trends and fashions.

While consumers still respond to the convenience of ripping open a bag of crisps, their mindset around snacking has expanded to include products that promise a range of benefits above and beyond simple convenience, such as a sense of culinary adventure, conscious sourcing, unexpected ingredients and satiating benefits. They're looking for products that can tackle their cravings and stave off hunger at all times of the day, while still meeting their demands for wholesome and indulgent treats. That's quite a challenge for snack making companies.

The scope of healthy snacking has extended beyond satisfying immediate hunger pangs with a nutritious quick-fix to include products that are also 'healthy' for the environment. Consumers are questioning the entire lifecycle of a product, from the way in which it's made to what happens to the packaging after it's done. They continue to look for convenience and peace of mind (nutritionally and ethically) when it comes to snacking.

This has played out significantly in ethical packaging, processing, and sourcing, whether it's reducing plastic usage, using 'ugly' raw materials, or repurposing discarded (but still safe to consume) ingredients such as pulp or vegetable skins.

Consumers still see snacks as treats, but some Millennial and Gen Z consumers are snacking up to five or six times a day. So snacking is no longer a treat between meals for these younger consumers. Instead they are combining snacks to make meals - maybe three or four snacks, just like you'd construct a plate with protein, fruits, veggies and grains. In doing so they also express interest in snack options with a nutritional edge. This is reflected in the number of snacks with added fibre or protein, interest in baked-not-fried extruded products and the growing demand for reduced-sugar snacks.

Following this vast trend, our members offer a wide portfolio of snack products that provide healthier alternatives while still maintaining an element of pleasure, adventure and delight.

Snacking has evolved from often uncontrolled indulgences antithetical to health and nutrition, towards a more intentional strategy for sustenance between meals, while trying out new flavours, textures and global culinary approaches. Companies ticking the three primordial snacking requirements of pleasure, nourishment and optimisation in a single snacking occasion are on a golden path to the future.

SALTY TAX

At the time of writing, there have been loud rumblings emerging from Hungary that the Ministry of Finance is considering an increase in the current

NETA tax as part of the draft budget proposal for next year. The tax targets a range of specific products, including savoury snacks and soft drinks.

This so-called Public Health Tax was first implemented in 2011 on a number of allegedly 'unhealthy' products (soups, sweets, confectionery, jams, savoury snacks, etc) to promote healthy nutrition and finance public health projects. It is understood that the government is proposing an increase of 20% on savoury snacks (the current rate is 0.84€/kg on products that contain more than 1g of salt per 100g) and 500% on soft drinks (which currently has one of the lowest tax rates under NETA).

After some discussion between the Ministry of Finance, ESA and its members on the ground, with support from local food and drink associations, the Ministry has scaled down the proposed increase to +10% for savoury snacks and +200% for soft drinks. As we went to press, another round of discussions was scheduled to take place with representatives of the food and drink industry before the government sent the draft bill to the Parliament. With the ongoing support from members, ESA will continue to push back on discriminatory food taxes.

ALLEGED DUAL QUALITY – THE EUROPEAN PARLIAMENT HAD ITS SAY

The European Commission published its 'New Deal for Consumers' in May. This consists of the revision of several EU consumer and marketing directives

to ensure that all European consumers fully benefit from their rights under Union law.

One of the objectives is to better protect European citizens against unfair commercial practices and this is where the dual quality issue finds its place. As expected, the proposal put forward amendments to the Unfair Commercial Practices Directive (UCPD). This will cover both food and non-food products and is expected to be put to a European Parliament committee vote in November.

In mid-June, members of the European Union's parliamentary committee on the Internal Market and Consumer Protection (IMCO) voted in favour of a report that called for tougher action on the issue of dual quality foods within the EU's single market. In an amendment to the report, MEPs suggested that manufacturers should add a logo to the packaging of products to show consumers that the content and quality of the same brand is consistent across all EU countries.

It's in the interests of both producers and retailers to get involved in tackling the dual quality issue, in order to avoid triggering enforcement procedures.

IMCO MEPs also called for the

Commission to develop a common testing approach to ascertain how serious and widespread dual quality is, with results disclosed in a publicly available database. The vote is non-legislative but the report will now be put to a full Parliamentary vote in September.

ESA will continue to work via FoodDrinkEurope to contest the use of the term of dual quality, since it is misleading and, in our understanding, incorrect. There might be acceptable differences in the composition of a single brand's product. For instance, products may legitimately differ to cater for consumer preferences, sourcing of local ingredients, national legislation or reformulation objectives.

SHARING (A SNACK) IS CARING – TWEET, TWEET, TWEET

The 5th edition of the ESA 'Share a Snack' event took place at the end of June in front of the European Parliament and it was a huge success. The event is the annual free give-away of snacks that also gives people a chance to get to know the industry and explore key topics.

This year, as previously, we tested

how much the visitors knew about our sector and our products. It provides a unique occasion to debunk some myths and create and maintain a positive perception of our sector. We offered also this year visitors the opportunity to challenge their knowledge of the sector with a short quiz and we broke our record with more than 350 quizzes taken. In parallel with the event, we have strengthened our lines of communication using our recently created Twitter channel to create a social media campaign in the run-up to the giveaway and to propose on-site activation with a 3D hashtag 'Share A Snack'. The different tweets, before, during and after the event, generated a lot of traffic and engagement, significantly improving ESA's visibility among our followers and beyond. ■

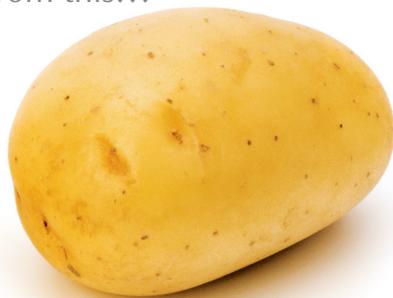


Director General Sebastian Emig*
*in his capacity as permanent representative of PrimeConsulting BXLBCN SL

Product in Seal?



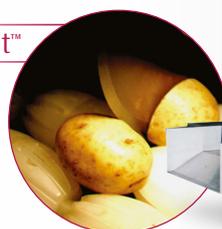
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