



Snack Trends

Add indulgence, variety and branding to your snack portfolio

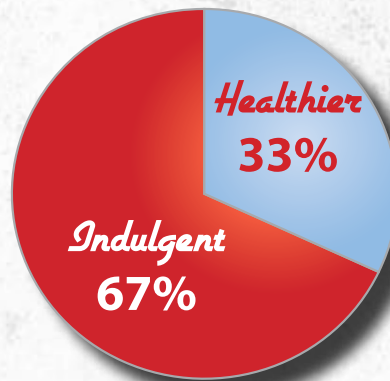
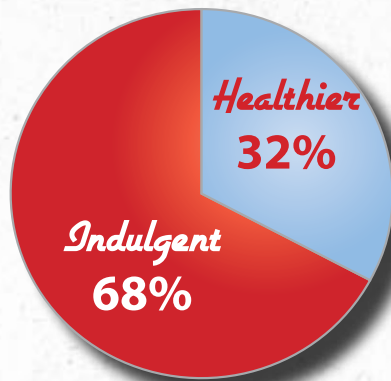


Snacks are driven by consumer usage and needs, and trends in today's market are affecting the way consumers choose their snacks. By reviewing factors in healthy vs. indulgent snacks, variety and branding, KRAFT has identified key trends to help you get the most out of your products.

Snack Sales Are Up

Providing a balance between healthy and indulgent snacks is key to success. While both varieties are experiencing increased purchase frequency, indulgent sales still dominate because taste remains the #1 factor in making a snack purchase.¹

Share of Dollar Sales 2004 vs. 2008



IRI State of the Industry, 2009





Variety Is Key

When consumers are away from home, their purchase behavior is driven by product variety.² To secure the sale, it's important that you carry the #1 brands in all major snack categories, from cookies to crackers, nuts to salty snacks, and even chocolate candy.

Consider that 73% of consumers have already chosen their category before even entering the store. Diversify, because when consumers do not find the products they want².

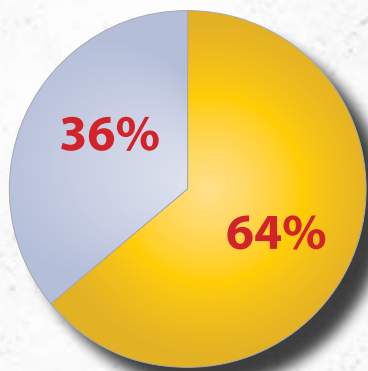
- 23% do not make a purchase at all
- 35% look for an item within the same category
- 31% look for an item within the same brand²



Brands Are in Demand

Branding is a significant purchase driver for snacks. Over half of consumers consider branding when making a purchase, and few will consider alternatives.

In today's economy, value is also a key motivator, and consumers agree that stocking their favorite brands is a sure way to provide the value they are looking for.



- Favorite Brands
- Any Brand, good price

When it comes to brands, loyalty is important. The good news is today's snack consumers are brand loyal, choosing the same brand in 7 of their last 10 purchases.²

For today's two largest consumer groups, Boomers and Millennials, it's the classic brands that are key.

47% of Boomers and 42% of Millennials agree, "I buy the brands I grew up with."¹

KRAFT has the brands that sell across most snack categories. NABISCO owns 8 of the top 10 brands for cookies and 5 of the top 10 for crackers.³ Along with PLANTERS, which is #1 in the nut category⁴, the largest consumer market is buying KRAFT regularly.

1. IRI State of the Industry, 2009

2. Meyers Research Center, C-Store Close-Up 2008

3. ACNielsen, 52 weeks ending 03/09

4. ACNielsen, 52 weeks ending 3/08