

Consumer Trends: More Shoppers Grab Nut-Based Spreads

CHICAGO (PRNewswire) — With an influx of new products in recent years, including industry game-changer Nutella, the \$3.9 billion nut-based and sweet spread category grew 34% from 2008-13. While many nut-based and sweet spreads already have very high household penetration rates and have become pantry staples, new research from Mintel reveals that there is still room for growth, especially related to ingredient, flavor, and multi-use innovation. Indeed, Mintel predicts sales in the nut-based spreads and sweet spreads category will increase 65% from 2013-18 to reach sales of \$6.5 billion in 2018.

The appeal of indulgent spreads like Nutella has influenced several non-spread brands to enter the spreads market as well. These product innovations are in line with consumer interests; one in five consumers (20%) wants to see more indulgent nut-based spreads, such as raspberry white chocolate or chocolate chip. In fact, from 2009-13, there was a 97.7% increase in the percentage of new products that represent new varieties or range extensions.

"Brands are introducing chocolate-based spreads, including brands within the category, such as Jif, but also brands outside of the category, like Philadelphia", comments Mintel food analyst Amanda Topper. "This is helping to blur the lines between the use of these products as a spread or dip and demonstrating the product's cross-category appeal. The perception of peanut butter as a kid's food has slowly eroded as the category has shown more functionality, as both an ingredient and a snack."

While one might imagine that the growing number of those who suffer from peanut allergies would have perhaps taken a bite out of the market, or at least hastened its rise; that doesn't necessarily seem to be the case, according to Mintel's research. Despite the increasing prevalence of peanut allergies in the US, perception might outweigh the reality; only 1% of children and 0.6% of adults suffer from peanut allergies, according to the National Institutes of Health. In fact, the number of nut or chocolate-based spreads that have non-allergen claims has actually decreased by 30% since 2009. Despite fewer options, some 22% of consumers have purchased non-peanut or almond butters, including cashew butter or sunflower seed butter, within the past six months. Furthermore, nearly half of consumers (47%) agree peanut-substitute and seed-based spreads also are suitable for those without nut allergies.

"Although peanut allergies still only affect a relatively small proportion of consumers, this posits brands a greater opportunity to promote these alternative-based spreads not only among those with allergies, but who are looking to transition to more overall healthy alternatives. These types of spreads may offer added variety and a healthier option for peanut butter lovers, and can also offer a

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safe solution for consumers with a peanut allergy," adds Amanda.

Indeed, consumers indicate a preference for spreads made with natural ingredients and without the use of additives or unnecessary sugar or salt. Some 55% of consumers wish there were more nut-based and sweet spreads that offered health benefits, such as added vitamins or antioxidants, while nearly half (47%) prefer spreads with health claims over traditional varieties. Additionally, consumers are most interested in seeing more products without additives or preservatives (36%). High-protein claims are important to nut-based spread purchases, while sugar-related attributes such as no added sugar or no high-fructose corn syrup, are important to those purchasing fruit spreads.

"Essentially, consumers like the idea of a healthier alternative, but at the end of the day, they also enjoy their indulgences," continues Amanda. "That said, there are certainly ways to achieve both, as Nutella has shown. It's seen as an indulgence, but one that people can rationalize given it's claims that it includes no artificial colors or preservatives. Manufacturers of gourmet spreads would be wise to also consider incorporating natural or organic ingredients which, in turn, may also warrant a higher price point."

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