



FOOD FOR THOUGHT

Raising the Bar

Wellness Bars, Trends and
the Future of Functional Snacking

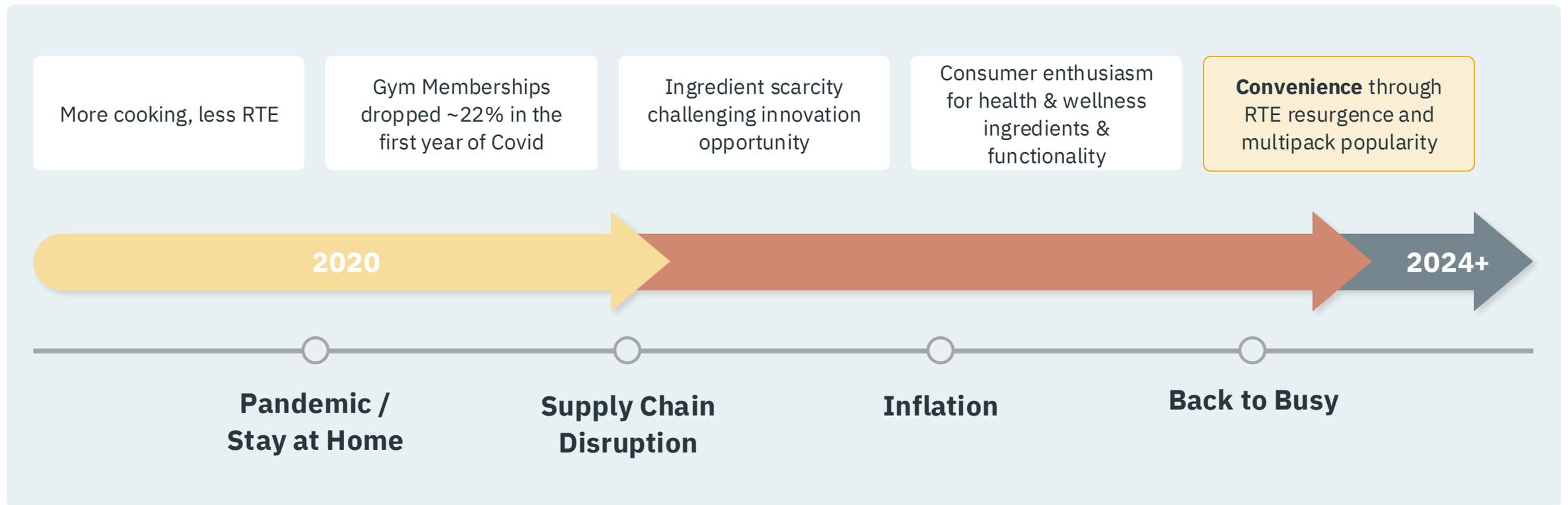
NOVEMBER 2024





From stay-at-home to back-to-busy

Challenges to the Grocery industry have been neatly reflected in the Wellness Bar space. After years of disruption, it's time to reinvigorate this space for a consumer base that is hungry for convenience and innovation through this ever-popular format.



<https://www.allrecipes.com/longform/coronavirus-cooking-and-grocery-shopping-one-year-later/>
<https://www.smartbrief.com/original/how-pandemic-shaping-home-cooking-trends>
<https://www.appraisaleconomics.com/the-recovery-of-gym-franchises-since-covid-19/>
SPINS MULO+ Convenience and Total US Natural Enhanced Last 52 Weeks Period Ending 10.06.2024



What drives sales success?

There is significant correlation between the increased sales volume and average retail price (ARP) increase, the largest discrepancy reflected in sales during an economically challenged 2023. Though multi-packs have driven overall growth, single bars are necessary for experimentation and innovation.



PACK COUNT	Share of Sales 2024	Dollars vs 2022	Units vs 2022	ARP vs 2022
Single	24%	+5%	-12%	+19%
5-6 Count	29%	+6%	-2%	+9%
7+	47%	+5%	-11%	+9%

Single bars still make up nearly a **quarter** of total category sales, but the Dollar sales increase has notably been driven by a hefty price increase of +19%. The greatest sales success in this category comes from **5-6 count multi-packs** which make up nearly a third of category sales and have the smallest unit sales decline.

While singles have not kept up with multi-pack sales, they continue to be table stakes in the category. This presents a white space that is ripe for **disruption through innovation**. Brands can get creative so that consumers can take a risk through this relatively affordable indulgence.



The Evolution of Bars

We're observing parallel trends in the snack bar market, with natural snack & granola bars gaining popularity for their wholesome ingredients and sustainability focus. At the same time, "macro" nutrition bars are emerging, offering better-for-you versions of candy bar flavors, catering to those seeking indulgence without compromising their nutrition goals.

We are currently in waves 3 & 4



Wave 1

Prioritize taste and convenience for a broad audience.

Conventional Granola & Snack Bars

-15.0%



Wave 2

Often feature decadent flavors without being high calorie or carb, high-protein, and high-fiber options.

Specialty Granola & Snack Bars

+2.5%



Wave 3

Allow for intentional indulgence while helping consumers meet their macronutrient goals, particularly protein.

Specialty + Conventional Wellness & Nutrition Bars

+6.9%



Wave 4

Offer better-for-you and planet-friendly claims, delivering great taste while excluding controversial ingredients.

Natural Snack & Granola Bars

+14.8%

Unit % Chg vs YA



What's a Wellness Bar? What's a Snack?

While snack bars offer quick, convenient energy, wellness bars are outperforming the market, driven by rising consumer demand for better-for-you options and a continued focus on health and wellness.

Wellness & Nutrition bars are health-focused snacks designed to support specific wellness goals, often containing functional ingredients like protein, vitamins, and adaptogens.

Single Bars
Share of sales:
33%



In contrast, **Granola & Snack bars** are simpler, convenient options made with whole-food ingredients, typically serving as quick energy boosts or meal replacements without a specific health claim.

Single Bars
Share of sales:
12%



SUBCATEGORY	Share of Sales	Share of Sales Change	Dollars, % Change	Units, % Change	ARP
Wellness Bars	53%	+1 pt	+2%	-1%	\$4.97
Snack Bars	47%	-1 pt	-5%	-7%	\$4.04

Despite the nearly \$1 higher price point and 33% of sales coming from single bars, the Wellness Bars Subcategory outperforms Snack Bars in year over year volume sale.

Additionally, Wellness Bars have been taking share of sales away from Snack Bars, showing that **consumers are willing to pay extra** to buy products that are more health-goal focused in this format.



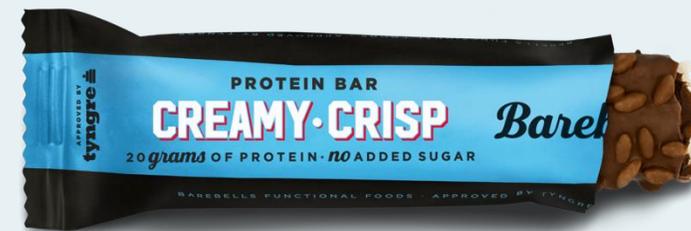
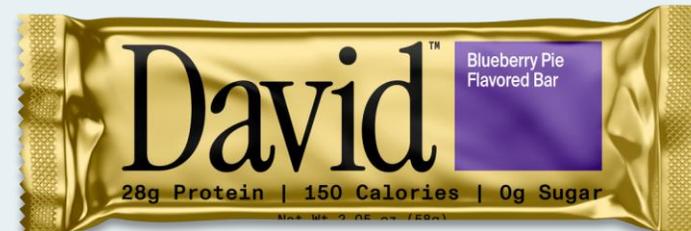
Protein Popularity

Despite the growth outside of Wellness & Nutrition Bars, protein and performance remain top of mind on shelf. Shoppers are prioritizing Performance and Flavor when looking for bars that fuel active lifestyles.

Wellness & Nutrition Bars free of Artificial Flavors, Colors, & Preservatives have stalled out. Shoppers are being driven towards products with a primary commitment to macronutrients, performance, and targeted nutrition goals



This is evident in the growth of protein call outs in Wellness & Nutrition Bars. Bars with a protein range between 25 and 30g are up **280%** as shoppers seek **taste + performance** as their primary purchase driver, irrespective of Clean Label considerations





Proliferation of protein snacks outside of bars

Wellness bars used to be one of the only snacks that delivered high protein but not anymore

High Protein Product Examples Across Multiple Categories

TOASTER PASTRIES



20g Protein

SHELF STABLE CHIPS



18g Protein

CEREAL



13g Protein

High protein products are top of mind for the American consumer as trends like '30g of protein for breakfast' and the obsession of eating protein over carbs or fats takes hold.

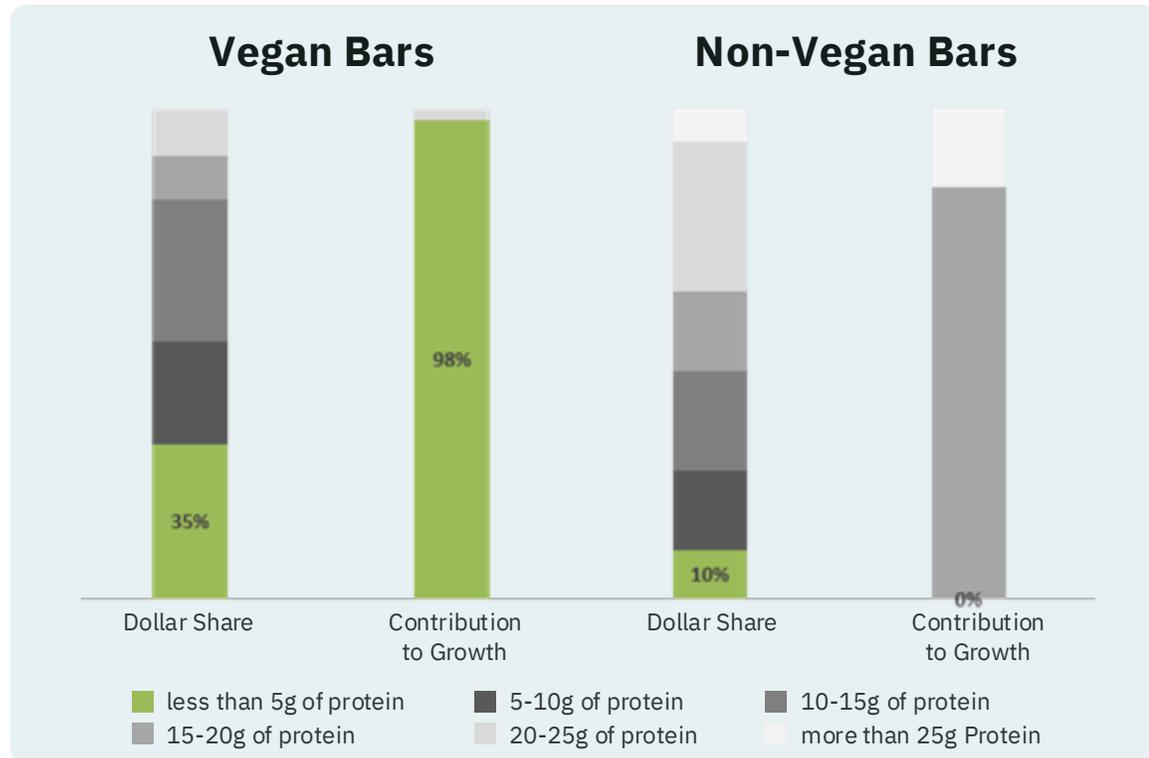
In the snack aisle, wellness bars used to be the only way to get a fair amount of protein but that is no longer the case. From chips to cereals, high protein products are finding itself in all sorts of categories. Plus, the industry isn't done yet – protein candy is on the horizon.

With this increased competition, we could see these other products take dollars away from the wellness bars category.



Plant-Powered Wellness: Beyond Protein

Wellness bars with less than 5g of protein are leading growth in vegan bars as shoppers prioritize other health focuses



Bars with high protein content (more than 15g) are driving growth in non-vegan bars. Meanwhile, vegan bars with lower protein but enhanced with other functional ingredients are seeing growth, as shoppers look for more variety in the category. Three key functional ingredients are driving this growth ahead of protein:

1. Grain Based
2. Caffeine
3. Probiotics
4. Plant Protein (Multi)





Fueling Wellness: The Power of Functional Ingredients in Every Bite

As the wellness bar subcategory continues to innovate, we are seeing a growing number of bars designed with functional benefits aimed at improving consumers' well-being—such as promoting calm, boosting energy, and enhancing focus.

Top Growing Functional Ingredients

Based on Unit % Changes vs YAGO



Green Tea / Supplements

- Heart Health
- Immune System
- Anxiety

*new entrant



Matcha

- Anti-Inflammatory
- Cognitive Function
- Cardio-metabolic Health

+581%



Pumpkin

- Heart Health
- Immune System
- Gut Health

+571%



Ashwagandha

- Stress
- Anxiety
- Sleep Quality

+361%



Chaga

- Immune System
- Digestive Health
- Cognitive Function

+297%



Caffeine

- Mood
- Energy
- Cognitive Function

+267%



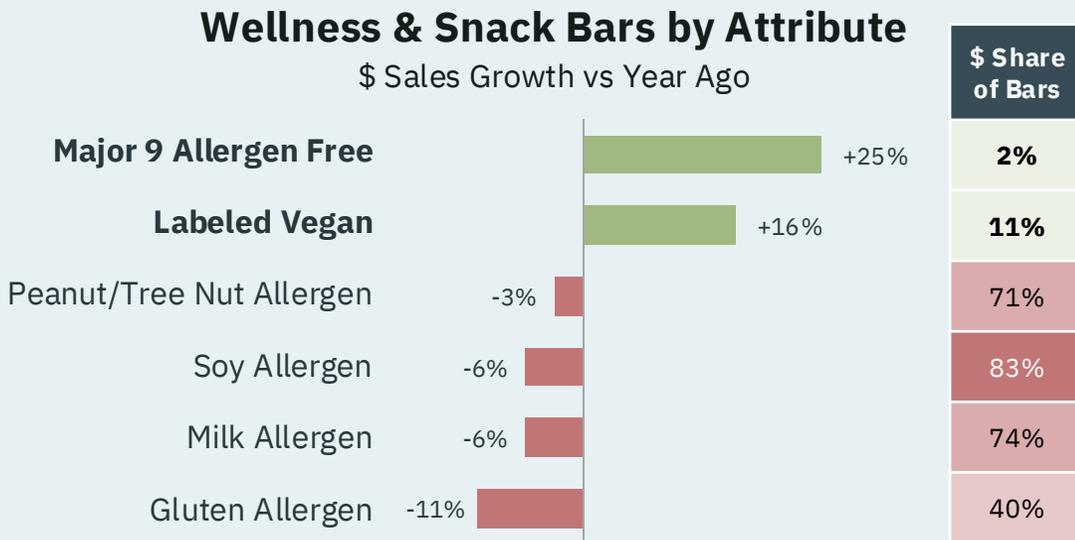
Wise Bars, Feel Bars, and Balanced Tiger are three standout wellness bar brands, each offering a unique approach to health. **Wise Bars** focus on clean, plant-based nutrition with simple ingredients for balanced energy. **Feel Bars** are designed to support mental wellness, featuring adaptogenic superfoods to enhance mood and focus. **Balanced Tiger** takes a functional approach with mushroom-based ingredients that boost energy and cognitive function. Together, these brands provide innovative, health-conscious snacks tailored to modern wellness needs



Allergen-free is gaining awareness, but nuts & seeds still have their place in Bars

According to FARE (Food Allergy Research & Education), thirty-two million Americans and counting have been diagnosed with food allergies. This means some shoppers more mindfully approach the bars they eat and give their kids.

Allergens are still found on most Bars' ingredient lists but are becoming less prevalent. **Allergy-Friendly and Vegan Bars have grown rapidly in their place.**

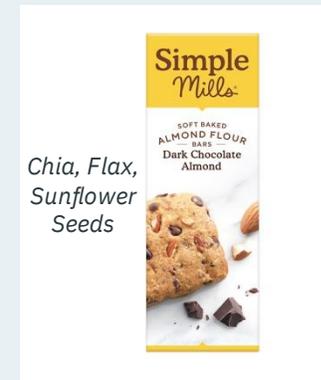


Still, not all nuts & seeds are part of this trend. Bars shoppers are gravitating to a handful of nutty ingredients in particular:

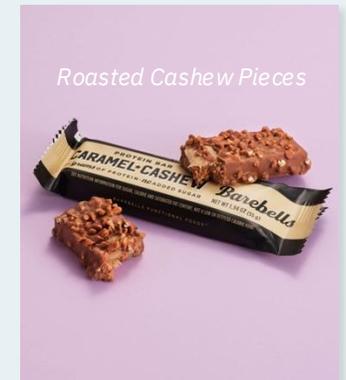
Flax Seeds
+17% sales



Chia Seeds
+29% sales



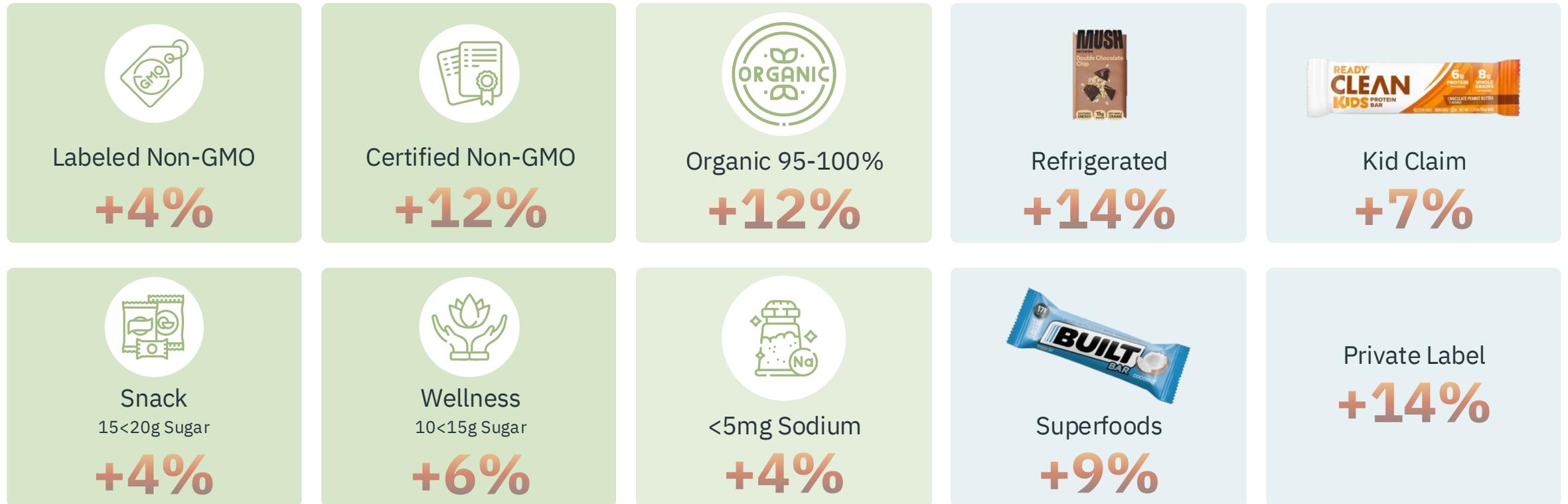
Cashew
+7% sales





Clean Label Essentials and Growing Opportunities

While nutritional density, functionality, and flavor remain pivotal themes, flagship clean labels like Non-GMO and Organic are driving growth. However, as consumers don't compromise on taste, they also demonstrate leniency towards sugar content. Additionally, it is crucial to recognize key growing segments as this market trends towards disruption.





How to Raise the Bar

With a divergence in shopper interests in Wellness & Nutrition Bars, is there room for growth for Better For You bars? The signs point towards yes, with white space opportunity where performance, clean label, and flavor innovation overlap

Protein Explosion

Expect protein to continue to gain steam and grab basket space as shoppers look for performance oriented and efficient bars



Gut Health & Weight

Watch for a renewed interest in gut health and fiber as prebiotic resistant starches gain more consumer awareness in relationship to weight management



Savory Flavors

Savory flavors are popping up in the bar aisle. Whole grain, nut, and seed-based bars are the perfect foundation for these innovative flavor profiles



Nutrient Dense Snackables

As protein evolves beyond wellness bars, other better for you purchase drivers are inspiring growth. Whole Grain, nutrient rich, and savory flavors are combining the best of both worlds for these snackables





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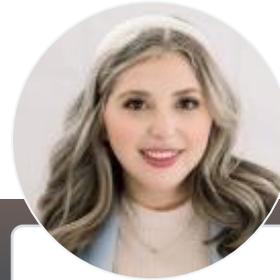
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