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Savory Snacks in France

2020 IMPACT

Vegetable, Pulse, and Bread Chips Show Strong Growth as Consumers Snack While at Home Due to COVID-19 Lockdown in 2020

Savory snacks are likely to benefit from the COVID-19 pandemic as these products were stockpiled in large quantities before and during lockdown in quarter two of 2020. Furthermore, as consumers are constantly at home, many people have turned to snacking, particularly on vegetable, pulse, and bread chips as these are deemed healthier. Conversely, savory biscuits are expected to be stagnant in retail value growth in 2020 as demand for this product decreased during the pre-lockdown shopping rush and this trend is likely to continue for the rest of the year.

More Consumers Move Towards Healthier Savory Snacks, While the Apéritif Culture Grows, Despite Pressure from Healthier Products and in 2020

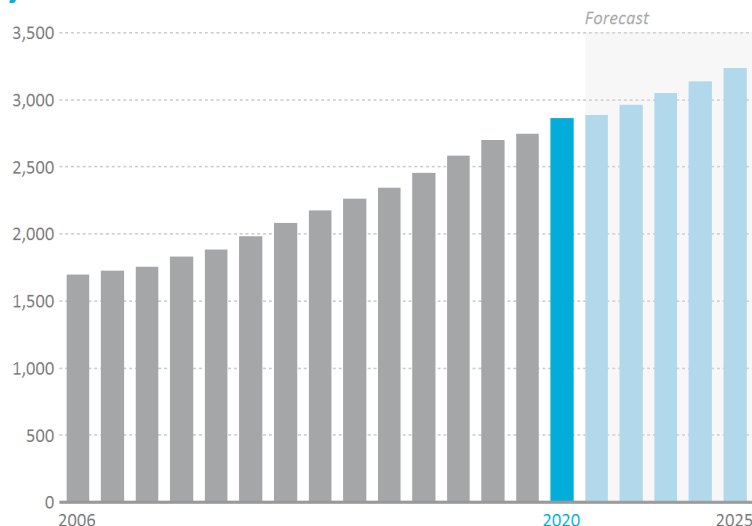
A modest but growing consumer base favors savory snacks with health claims. The "eat better" trend is developing in all savory snacks categories, through changes to recipes to reduce the levels of salt or fat, or to add healthier ingredients. For instance, Mondelez France's LU TUC crackers saw salt levels reduced by 20-30%, and saturated fatty acids fell by 70% through the use of sunflower oil. More raw and natural ingredients were included in products, such as the superfruits goji berries and cranberries. New recipes also included healthy whole grains or lentils, which appealed to health-conscious consumers and fuelled

the growth of vegetable, pulse, and bread chips. However, trail mixes are increasingly seen as unhealthy due to being highly processed and high in salt and fats as well as being in competition with unprocessed nuts and bulk nuts. PepsiCo France is trying to change the positioning of nuts, seeds, and trail mixes with their brand Bénénuts. The company's new product launches are aligned to the mindful eating trend with products such as organic cashew nuts and vegetable-based savory snacks.

Conversely, the apéritif remains an occasion to let go, and the majority of French consumers prefer to turn a blind eye to the high fat content of savory snacks. Sales of savory snacks are on the rise in France, with continued strong retail volume and current value growth in 2020. The launch of more sophisticated products contributed to growth, with consumers keen to try new products in potato chips, seeds, and savory biscuits. The conviviality of the apéritif or apéro culture is surviving in France, benefiting sales of savory snacks. The change in consumer behavior towards more fragmented mealtimes should continue, with a growing number of French hosts offering such products when they entertain at home. The apéritif culture is widespread among people over 50, who have more time and resources. Nonetheless, it is also likely to progress more among consumers under 25, according to trade sources. One of the only threats to growth is likely to be competition from other products aimed at the apéritif, either from the chilled shelves or

Sales of Savory Snacks in France
Retail Value RSP - EUR million - Current - 2006-2025

2,854



home-made. If the share of dips, fresh canapés, appetizers, and cheese for the apéritif continues to increase strongly, this may force savory snacks to play a secondary role. Nonetheless, with the use of dips such as humus increasing consumers need a complementary product such as savory biscuits. The use of rice snacks and vegetable, pulse, and bread chips are increasing, especially products with grains or vegetables as they are perceived as being healthier. Kambly France SA offers such a savory biscuit made from spelt and beetroot.

Mindful Eating Increasingly Popular, while French Brands are Upholding their Local Roots and New Brand, Too Good, Launches A Sweet Potato Savory Biscuit in 2020

The mindful eating trend is becoming increasingly popular, along with rice snacks and vegetable, pulse, and bread chips, puffed snacks are welcoming new ingredients. For example, Bjorg Bonneterre & Cie introduced an organic puffed snack made from chickpeas into their brand Bjorg. Furthermore, Solinest's brand, NA!, is the leader in rice snacks and launched a range of puffed snacks made with peas, Crispeas available in various flavors such as sea salt and tomato basil.

Moreover, French brands are increasingly upholding their local roots. Intersnack France SAS' Vico brand is one of the leading brands in potato chips and is promoting its French factories by adding a French flag on the front of their product packaging. The new comer, Terres & Céréales, is also using mindful eating for its positioning and launched a lentil based biscuit with a French flag on the front of their packaging.

Furthermore, Too Good, the new Solinest brand launched seven puffed snack products in 2019. The brand also launched an innovative savory biscuit made from sweet potato, a first in the French savory snack market. The biscuit has only 2% fat allowing it to have an A grade as a Nutri-score. Nutri-score is a nutrition label used

in France that is displayed on food products that conveys information on the nutritional quality of foods so that consumers can clearly see how healthy a product is according to various factors such as percentage fat contained in the product.

RECOVERY AND OPPORTUNITIES

Consumers to Curb Demand Over the Forecast Period Due to Economic Woes

The economic fallout of COVID-19 is expected to see many French consumers reducing their spending on food as disposable income continues to decrease. Savory snacks is likely to show moderate retail value growth at constant 2020 prices but will decline marginally in volume terms as consumers prioritize essential goods over the forecast period. However, vegetable, pulse, and bread chips are likely to see the robust demand and sales growth over the forecast period. Conversely, savory biscuits is likely to see decreased volume and retail value growth at constant 2020 prices.

Premiumization to Meet the Challenge from Healthier Alternatives

Players in savory snacks are promoting premium products to meet the challenge from healthier alternatives within and outside of savory snacks. The continuous launch of new sophisticated and/or authentic recipes generates curiosity among consumers. Companies use two separate strategies. Firstly, private labels such as Carrefour SA and Auchan France use organic ingredients for its savory snacks. Secondly, it uses premium ingredients that have protected designation of origin (PDO) such as PDO Comté or PDO Parmigiano. This strategy was first implemented by Michel & Augustin SA and is now being used by other brands such as Kambly and private labels and is likely to continue doing so over the forecast period. ■

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