

Tapas and small plates rated high among chefs' predictions for growth in 2008; look for more mini meatballs to roll onto appetizer menus.



# Small Bites, BIG BUSINESS

From breakfast morsels to dessert shots and between-meal snacks, tasty little treats are hugely popular

BY DR. A. ELIZABETH SLOAN

Tasty little bites, between-meal treats and snacking occasions are the biggest development to hit the foodservice industry in years, and experts predict bigger things from small snacks in the years to come. Bite-sized desserts will be the No. 1 hot culinary trend for 2008, according to an October 2007 National Restaurant Association (NRA) survey of American Culinary Federation (ACF) chefs. Small plates, tapas and mezze ranked No. 4 in the survey, right behind locally grown and organic produce. Our tough economic times could also spur more snacking, as people forego elaborate dinners out and look for little indulgences here and there.

Small plates and snack-only eateries are enjoying strong growth; Wing Zone, a takeout/delivery chain specializing in wings and dips, made the Top 10 list of the fastest-growing limited-service restaurants under \$200 million in Technomic Inc.'s 2008 Top 500 Report.

Any aisle of a supermarket confirms Americans' love of a good nosh; the real news here is the extent to which consumers are turning to restaurants for snacks, creating one of the most explosive new foodservice business opportunities of all time. Snacks accounted for more than

\$12 billion in restaurant visits for the year ending May 2007, reports NPD/CREST.

Just over one-third of adults ate several mini-meals in lieu of the traditional three squares in 2007, reports Experian Market Research. The number of consumers trying to cut back on snacks has been steadily declining — falling 4 percent from 2007 to 2008, finds Information Resources Inc.'s (IRI) 2008 Snack Study. Technomic's 2007 Snack Report found that last year, 75 percent of consumers snacked in the mid-afternoon, 46 percent

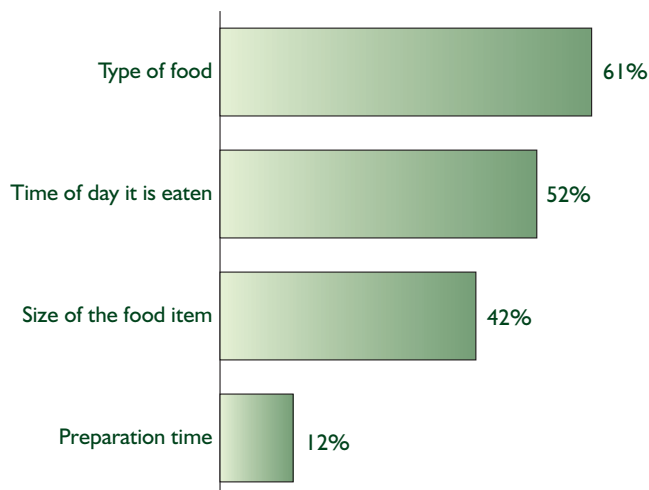
## QUICK-TAKE

THIS STORY TAKES A LOOK AT:

- ▶ The demographics driving explosive growth in foodservice snack sales
- ▶ How mini-meals and savory snacks are creating profitable new dayparts on menus
- ▶ Healthful ingredients and flavor profiles that diners of all ages are seeking in snack options

FIGURE 1

## WHAT DEFINES SNACKS FOR DINERS



SOURCE: TECHNOMIC 2007 SNACK REPORT

mid-evening, 39 percent late at night and 33 percent mid-morning.

NRA's 2008 Forecast predicts that snack places and non-alcoholic-beverage bars will be two of the fastest-growing segments in 2008, up 6.8 percent.

While serving snacks and smaller portions is a trend still in its infancy in restaurants, NRA's Forecast reveals it's a trend on the rise, with 27 percent of family dining, 20 percent of

casual, 19 percent of fine dining and 11 percent of QSR operators adding more varied portion-size options to their menus in 2007. Snack traffic in restaurants was up 5 percent for the year ending September 2007, according to NPD. Lunch traffic grew 1 percent and breakfast 5 percent, while dinner fell 1 percent.

### SNACK ATTACKS

Foods that fell into the snack category posted some of the biggest gains in the industry. Breaded-chicken sandwiches now come in varied shapes and sizes, and consumers are eating them up. KFC reports selling 100 million Snackers in the first six months they were launched in 2005, and that sales record was up to 500 million by 2007.

Wraps, pitas and tortillas, such as McDonald's Snack Wraps, were the biggest menu gainers in QSRs, according to NRA's October 2007 QSR Operator Survey. Wendy's introduced three Chicken Go Wraps snacks, priced at \$1.49. KFC added a Toasted Wrap and McDonald's added a new chipotle barbecue-chicken wrap to its successful snack line. Grilled Chicken Strips with teriyaki dipping sauce is one of the items on Jack in the Box's light-dining menu.

Sixty-one percent of consumers define a snack by the type of food, notes Technomic, 52 percent by the time of day it's consumed and 42 percent by its portion size (see Figure 1). Snacking remains a hunger-driven impulse rather than a planned eating occasion, with half of consumers reporting they snack because they want to eat and don't have time for a full meal.

Flavor is the most important reason for snack selection; easy to eat/prepare and portability are also important (see sidebar, page 19). Women, young adults aged 18 to 24 and African-Americans index highest for heavy snacking, according to Experian. Heavy snackers are significantly more likely to eat gourmet foods whenever they can.

Technomic's 2007 Snack Report reveals that heavy snackers are all over the flavor map, registering at both ends of the spicy spectrum: 28 percent prefer foods without a lot of spices, and 26 percent prefer lots of spices. Heavy snackers index extremely high as big eaters of sweet and salty snacks.

## SNACKING BY THE NUMBERS

NPD reports that snack checks are comparable to breakfast checks: \$3.36 for a snack versus \$3.68 for breakfast in quick-serve operations. And with a difference of \$6.50 versus \$7.31 in full-service eateries, expect more full-service operators to jump on the snack train.



TYSON

FIGURE 2

SAVORY  
and  
SWEET  
Appeal to  
Snackers

Up and Coming  
Flavors:

- Wasabi-mustard
- Mango-chipotle
- Green tea
- Manchego
- Caprese (tomato, basil, mozzarella)
- Chile-lime
- Bacon and flavored bacon: (black pepper, applewood smoked, etc.)
- Vanilla bean
- Smoked paprika
- Flavored sea salts
- Flavored coconut water
- Chile and cocoa
- Spiced and flavored cheeses (chèvre, cheddar with fruit and spices, etc.)
- Decadent layered flavors: coffee with caramel, chocolate fudge and cream, nuts and sea salt

SOURCE:  
MCCORMICK & CO., 2008

Mini-meals or big, shareable appetizers are snack options in full-serve settings; craveable flavors drive snack selections everywhere.



SHUTTERSTOCK

In 2008, vegetable, nut, dairy, spices, seeds and fruit have been the fastest-growing flavor profiles in retail snack products, reports Innova Market Insights. According to Nancy Farace, Food Insight Strategist at spice and flavor provider McCormick & Co., wasabi-mustard, mango-chipotle and green tea are among the up-and-coming flavors for the year to come (see Figure 2).

WHERE THE SNACKS ARE

The quick-serve segment dominates the restaurant snack scene. NPD reports that, in the year ending May 2007, 60 percent of QSR growth came from snacks; afternoon snacks accounted for nearly half of all QSR growth. Hamburger and gourmet coffee/tea outlets enjoyed 25 percent of all snack occasions.

Chick-fil-A branded the time between 2 and 5 p.m. as “Linner Time,” denoting the span between lunch and dinner. Targeting the heartier snackers who frequent this time frame, the multi-unit launched 50-percent-larger Chick-n-Strips, sold with a smoky mustard dip. Sonic is trying deep-fried Mac & Cheese Snacks as a limited-time offer. Popeye’s Chicken & Biscuits is investing \$3.5 million in a new menu initiative that will include snacks, while Quiznos’ Sammies, or snack-sized sandwiches, continue to enjoy brisk sales. A new campaign at McDonald’s

encourages consumers to “take back snack time,” and its growing line of chicken snack wraps, chicken biscuit sandwiches and yogurt parfaits helps with that goal. Good Times Restaurants Inc. reports that same-store sales for July and August 2007 rose 13.8 percent after the rollout of its new down-sized Bambino Burgers.

SNACKING PREFERENCES

Women account for 64 percent of QSR snackers and 56 percent of afternoon snackers, according to NPD. To target this group, operators should focus on light mini-meals and sweet treats featuring fruit, nuts and yogurt. Baked treats with nuts, whole grains and dried fruits, packaged to include nutritional information, could help QSRs capture some of the booming sports/nutrition bar market in retail.

According to McCormick & Co., women prefer comfort flavors and decadent, indulgent flavors later in the day; these include cardamom, green tea, cinnamon, cheese and dark or milk chocolate. Bold and rich flavors with smooth mouthfeel — yogurt, gelato, soy, goat milk and ice cream — also fulfill women’s cravings.

With NPD showing that two out of five QSR afternoon snackers and 42 percent of evening snackers are under age 25, ethnic,



BASIC AMERICAN FOODS

**Dippable, poppable pleasures with mealtime flavors, like these cheesy potato croquettes, are on the ball for afternoon and evening snackers.**

spicy and trendy gourmet snack foods are must-haves. Technomic reports that those 18 to 24 are the most likely to want a spicy snack. Carl's Jr.'s Chili Cheese Fries should have high appeal to young men in particular. Try pub chips or fries with mealtime flavors such as Buffalo wings and blue cheese or wasabi-lime and offer hearty dips such as beef, onion and cheese or marinara and three cheeses.

Conversely, 30 percent of morning QSR snackers are adults age 50 and older, per NPD. With older adults being the most likely to eat breakfast and desserts and to drink coffee, bite-sized treats like mini-muffins or coffee cake squares should fit the bill.

#### MINI-MEALS AND SMALLER PORTIONS

While official snack options are still not the norm in casual and high-end restaurants, smaller portions are setting a brisk new business pace, addressing a number of contemporary diner demands. Not only are small portions a good value, but they also provide an economical means of experimenting with foods and flavors. They appease health- and weight-conscious consumers and are great for sharing. Not surprisingly, 82 percent of people prefer to

dine at restaurants that offer various portion sizes, and nearly half plan to eat smaller portions in restaurants this year, according to a Harris Interactive survey for T.G.I. Friday's.

In the first year of T.G.I. Friday's "Right Portion, Right Price" (RPRP) menu, which offers 30 percent-smaller portions of signature dishes at lower prices, guest counts outperformed the casual-dining industry overall, reports Knapp Track, a monthly restaurant sales and guest-count tracking service. Even with RPRP dishes priced between \$5.99 and \$9.99, average checks increased, due in part to higher appetizer and dessert sales. T.G.I. Friday's has now increased the number of RPRP entrées to 11; selections include a petite steak, smaller pasta dishes and an entrée salad with strawberries, chicken and glazed pecans.

Other full-serves are following suit: Applebee's added Mini Chicken Ranchers to its Ultimate Choice Menu, Bennigan's serves Burger Bites and Chicken Minis, and Red Robin launched Steak Sliders.

#### APPETIZERS ONLY

While diners are ordering fewer appetizers with a meal, they are ordering more appetizers as a meal, according to

NPD/CREST, with women and older diners the most likely to do so. Women are also more likely to order appetizers with a dip. Young Gen-Yers, who appear to be bored with one entrée, are opting for appetizers because they like variety.

In fine-dining establishments, new appetizers are introducing a multitude of flavor and cuisine experiences. Watch for tapas with Mediterranean fusion influences, such as Spanish flatbreads with onions, manchego cheese, black olives and red peppers to gather momentum. Italian light bites, like fresh mozzarella topped with grilled vegetables and fresh herbs, or arancini di riso (Sicilian rice balls) are also emerging. Another rising trend is the use of wines, spirits and liqueurs in the sauces accompanying small plates.

With convenience and ease also motivating snack choices, full-service operators should be developing quick-stop areas for take-out and fast pick up of more gourmet snacks and mini-meals. On the higher end of the snacking spectrum, consumers may want to grab a few sliders to enjoy on the way home from work or at home.

Others might be enticed with a cool pack filled with signature cups of marinated shrimp or lump crabmeat and sauce. Or consider offering bite-sized sweet-treat samples, ready to be added to the end of an informal dinner party.

### UNIVERSALLY BIG IDEAS

Foodservice snack patterns represent an emerging trend, and smart operators from all segments should make the most of its potential, sooner rather than later. Here are a few momentum builders to consider:

#### ► Do a Size Check

Controlling portion size is now second only to exercise as Americans' top weight-control strategy, according to the International Food Information Council. With 56 percent of adults taking action to control their weight last year — and calorie-disclosure legislation for menus looming from coast to coast — the time to menu low-calorie small plates, spa menus and light snacks is now. Interest in low-calorie snacks is equally important across

all age groups, according to Mintel's Healthy Snacking report from February 2008.

In retail, healthy snacks outsold indulgent snacks 5 to 1 last year; 100-calorie-pack sales jumped 42 percent, and sweet-snack sales lagged behind savory, according to IRI's 2008 Snack Report.

Au Bon Pain has captured some of the portion-control action with Au Bon Portions, launched in March 2008 and featuring 14 mix-and-match items, including hummus and cucumbers; cheddar, fruit and crackers; and Honey Mustard Chicken. All servings are fewer than 200 calories, and prices range from \$2.99 to \$3.49. Au Bon Pain reports that some units are now selling as many as 200 of the smaller-portion items per day, though the company's original goal was 200 per week.

#### ► Invite Midnight Snacking

The hours between 10 p.m. and 5 a.m. are turning into a lucrative restaurant snacking and eating daypart. NPD reports that hamburger joints captured 67 million more late-night visits; convenience stores, 24 million; and Mexican restaurants, 12 million more in 2007 versus 2006. More than half of late-night snack customers come from home.

While 18- to 24-year-olds account for much of the late-night traffic, the second-heaviest users at late night are the biggest earners, coming from households where the average income is over \$100,000.

According to NPD/CREST, the top items ordered in 2007 during late-night hours were burgers, fries, pizza, salty snacks, ice cream, chicken strips, breaded chicken sandwiches, doughnuts and tacos. In QSRs, late-night checks average \$4.66, about the same as other dayparts.

With late-night diners skewing heaviest to younger males, offering umami-packed, bold and meaty flavors is important. Men enjoy Worcestershire, soy, wasabi, sesame, teriyaki, hoisin, vinegars, savory, salty and spicy-hot (chipotle, black pepper and jalapeño) flavors, according to McCormick & Co. Creating contrasts — sweet-heat, citrus-chile and salty-sweet — is another way to make more winning combinations.

## FLAVOR and SIMPLICITY Guide Choices

### Snackers' Top Motivators

1. Flavor/taste
2. Ease of preparation
3. Easy to eat
4. Portable
5. Brand they like
6. Satisfies hunger
7. Healthful
8. Affordable  
(if bought away  
from home)
9. Fresh

SOURCE:  
TECHNOMIC 2007 SNACK REPORT

FIGURE 3

*Sophisticated*  
**YOUNG PALATES**

**Up-and-Coming Savory Flavors for Kids**

- Jalapeño-cheddar chili
- Sizzlin' fajita
- Smokin' Cajun
- Chipotle BBQ
- Spicy Thai peanut
- Cheeseburger
- Sour dill pickle
- Hot Buffalo & cool ranch
- Grilled cheese
- BLT
- Asian BBQ
- Sweet corn salsa
- Pineapple-jalapeño

SOURCE: INTERNATIONAL FLAVORS & FRAGRANCES, 2008

► **Menu Bar Morsels**

American empty nesters' penchant for partying is creating a new demand for more sophisticated and healthier gourmet tidbits and cocktail companions. Add to that the more than 4 million young adults turning age 18 every year for the next 10 years, and the nation's 72 million Gen-Yers hitting the bar scene, and the opportunity for mini-morsels has never been greater.

Consider "Happy and Healthy Hours" for a new twist on an after-work ritual. Focus on crudité's, stuffed mushrooms, sushi, fresh spring rolls, skewers of lean proteins and low-fat dips with plenty of down-sized signature drinks to match.

► **Offer After-School Snacks**

With America's baby boom driving the number of school-age echo-boom children to unprecedented numbers, and dinner being eaten later, closer to 7 p.m., the after-school snacking occasion is another fast-emerging opportunity. IRI reports that watching portion size currently tops snacking strategies for 63 percent of parents; 40 percent want lower-fat and 34 percent want lower-calorie options for their kids.

Exotic flavors are becoming important selection criteria for kids, according to Mintel's March 2008 Kids' Snacking report. One-third of all 6- to 12-year-olds say that really unusual flavors make snacks fun. Moreover, 67 percent of all kids aged 6 to 12 like to try new kinds of snacks. Jalapeño-cheddar chili and sizzlin' fajita top International Flavors & Fragrances' (IFF) list of up-and-coming snack flavors for kids, according to Marianne Swaney-Stueve, IFF's global director of consumer insights (see Figure 3).

Today's young ones cut their teeth on burritos and sushi as much as on burgers and fries, so a global approach to snacks is vital. Adding zesty mini empanadas, calzones, Chinese egg rolls, pupusas or samosas is a good idea for the after-school crowds.

Teens are another important target for afternoon snacks. A recent Aramark study of high-school students found that nearly one in five skip lunch in the cafeteria in order to eat with friends after school. Burger, sandwich and pizza places get the nod. Sampling and

sharing are important criteria; Yankelovich reports that "easy to share" is big factor in what 6- to 17-year-olds ask for in restaurants. Chili's Grill & Bar's Skillet Queso, a cheese dip with seasoned beef and warm tortilla chips, is perfect for socializing teens, as is Jack in the Box's Sampler Trio with stuffed jalapeños, mozzarella cheese sticks and chicken bites.

► **Make Breakfast Snackable**

With breakfast traffic up 5 percent for the year ending November 2007, and more breakfast meals than ever being eaten in the car, snack-like breakfast options are on the move. Dippable, poppable breakfast nuggets filled with ham, eggs and cheese or mini hot apple fritters offer a welcome change.

Handheld options, like pigs-in-blankets are another good idea. Most important, when diners drop by for breakfast or lunch, try to sell them a snack for later on.

► **Little Sweets Add Up**

From cupcakes to exotic sweet-and-spicy tasting flights, little portions have demonstrated their ability to bring back dessert sales, as well as add-on sales of after-dinner coffees, cocktails and dessert wines.

Chili's Grill & Bar introduced Sweet Shots desserts, ranging in calorie counts from 220 to 310 and including temptations like a Seven Layer Chocolate Shot. Churros, a fried-dough pastry snack at Rubio's Fresh Mexican Grill, are a great grab-and-go dessert.

Downsizing any signature or best-selling dessert is an easy idea, as are samplers, pairs or trios of dessert tastes, such as brûlée three ways or themes on one flavor, as in a hazelnut torte, chocolate-hazelnut ice cream and hazelnut brittle.

For the ultimate in snacking options, let customers pick and choose a half-dozen appetizers or small plates and finish up with two or three sweet bites, all for a set price.

In the snack revolution, keep the focus on a variety of flavors and flexibility in portions, and success will be just a bite away. ☺

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TAKE-AWAY TIPS

- **DOWNSIZE THE MENU:** Small portions offer value and a lower-calorie way to try new foods and flavors
- **KEEP KIDS IN MIND:** Snack-hungry 'tweens have adventurous palates that need to be satisfied with bold flavors