



It's Go Time.

Today's consumers are on the go.
Is your brand going with them?

“Snackification”

has created new product segments; fortunately, the right packaging can create new opportunities for your brand.

Not so long ago, people sat down to eat three regular meals a day, drank beverages to satisfy thirst and snacked only in between meals. It was a time of tidy, predictable eating behaviors. Recent data now suggest that because of taste and lifestyle changes, sit-down products are seeing stagnation, while snacks are seeing steady growth. In fact, global snack sales reached \$374 billion in 2014, and today, snacks represent 40% of the \$370 billion U.S. packaged foods market. A survey by the research firm IRC found that 46% of people surveyed snacked 3+ times a day. With the boundaries between snacks and meals becoming increasingly blurred, the pantry and refrigerator doors have been kicked wide open for food manufacturers to develop and market almost any conceivable snack form, even those outside the traditional snack food aisles.



3+

46% of people surveyed snacked 3+ times a day

Good To Go

Consumers today are looking for fast, healthy fuel to keep them going throughout the day. Busier lifestyles and a more diverse population are driving the rise in snacking, highlighting the growing importance of convenience. Driven by millennials, consumers are eating on-the-go more often than in the past, now using snacks to replace meals 50% of the time. This grazing phenomenon, combined with a focus on health, is driving not just product development for snacks, but also innovations in packaging that allow for portion control, portability and variety. Sonoco's line of rigid paperboard containers provide multiple on-the-go sizes with various barrier and reclose options that deliver the convenience and freshness consumers are looking for, while helping lead your brand to growth opportunities in the new segmented snack market. One of these growth opportunities is granola. From its humble breakfast beginnings to a high-end, artisanal product, granola-enriched snacks have found their way mainstream and are gaining ground quickly. From health conscious exercise nuts, to those who are looking for a savory and filling snack, granola is an ideal option.

Snack food doesn't have to mean unhealthy food

The shift toward foods perceived to be healthier has particularly impacted snacks. Once considered universally unhealthy, snacks have evolved significantly, as have their images. This is increasingly important as consumers continue to pay more attention to the types of foods they eat. The focus on obesity has had a distinct impact on many of the food trends we are seeing today. Trends around mindful and purposeful eating are playing a powerful role in the growth of the snack segment. Snacking with a conscience has become a common mantra among many. In fact, the U.S. consumer packaged goods (CPG) industry registered its strongest growth in four years in 2015, and some of the biggest gains were achieved by companies targeting the fast-growing market for protein-rich foods and healthy, "mindful" snacks.



Good To Save

In the U.S., some 6 in 10 primary shoppers look for food and drink packaging that can be recycled or repurposed. With that desire in mind, Sonoco has developed a reusable container with double-sided label technology. How's that for a sustainable differentiator?

Our unique technology allows you to apply a double-sided label to your package, which creates an expanded marketing and branding opportunity for extended product information, recipes, coupons, games, chalkboards, etc. The options are endless—as will be your package's life by supplying the consumer a container they can refurbish and an experience that reinforces your brand's persona. The evolution of snacking is breaking down barriers that formerly restricted which food and beverage could be enjoyed during certain times of the day, and in doing so is giving manufacturers more creative license to embrace new opportunities for innovation. As consumer perceptions about what they can eat changes, so too do their ideas about flavor profiles available for snacking. One of the most popular snack options today is cheese crackers. There seems to be no end to the variety of flavors, shapes, sizes and textures.



Small bites, big opportunities

Brands today are harnessing versatile packaging materials and technologies to support the premium snacking experience. With appealing designs, distinctive pack shapes and single-serve formats, they are attracting consumers and highlighting product quality. From familiar staples, like ready-to-eat popcorn or cheese snacks, to more on-the-go, “fuel me” products like granola, nuts or protein based snacks, small bites of all varieties are having their moment in the sun. This gives forward-thinking brands an opportunity to shine by capitalizing on a trend that appears to be here to stay.

Innovative flavors drive popcorn category growth.

The global popcorn market is set to grow at a compound annual growth rate of about 7% between 2016-20 and may reach sales exceeding \$12 billion by 2020, according to a new report from London-based researcher Technavio.

Good To Share

Human beings are social creatures who enjoy spending time with friends and family. We've also become creatures of habit connected to a new behavioral phenomenon, binge-watching. A recent survey released by TiVo found that 9 out of 10 people are engaging in binge viewing, which the digital video recording company defines as watching more than three episodes of a particular TV show in one day. In this environment, snacking and sharing go hand in hand. Rigid paperboard containers provide a great deal of flexibility when it comes to portion size and portion control, making it an ideal packaging format for sharing occasions. Additionally, with the ability to apply high-end graphics in a broad range of colors, including foil, rigid paperboard containers are great for more premium products as part of gift baskets or just as a unique way to display your product at retail. Growth in snacks like popcorn can be attributed to companies such as Kraft Foods, PepsiCo, Great American Popcorn and Diamond Foods giving the category more attention. Growth is expected to continue in North America through 2020, with a forecast CAGR of more than 6% during 2016-20, according to Technavio.



Good To Dip

We all know the folks across the pond know how to make amazing sweets—and in this case, out of other amazing sweets, enter cookie butter. The cookie butter craze hit the nation hard this year, with numerous proud owners posting photos of jars on Facebook, Twitter and Instagram. There were also lots of photos of the many ways you can use it—mixed in ice cream, eaten straight from the jar and slathered on just about anything—fruits (bananas and apples were popular choices), breads, crackers, biscuits, cookies and chocolate bars, among many others. A quick Pinterest search shows dozens of confectionery possibilities for the cookie butter lover, which opens up a new segment for snack brands who want to expand their portfolio.

To help our customers satisfy this cookie craving, Sonoco created a 2-in-1 container that makes it easy for their customers to have their cookie and cookie butter right at their fingertips, all in one package.



Multiple audiences requires a multi-channel strategy

With planning, shopping and cooking becoming less and less the norm, and 24/7, multi-tasking lifestyles becoming more and more common, consumers are much more comfortable with eating on the fly. This means a single go-to-market strategy for a brand is long gone, and the retail landscape has changed as much as today's consumer. Large retail outlets are struggling for growth, while the value and convenience channels are driving the majority of sales for small SKUs. In fact, convenience stores are seeing a 4.7% CAGR, while value or dollar stores are experiencing 7.5% CAGR. With these new growth channels, along with the growth of healthy snacks and smaller portion sizes, a new approach is required for SKU management and merchandising. This means leveraging new packaging formats and materials to differentiate your product at shelf from the other 34,999 SKUs.

Good To Grow

With the trade-up from three squares meals a day to six smaller meals, consumers are snacking more and they're looking for easy-to-grab sources of protein. Sales of meat snacks have ballooned in recent years as jerky has shed its image as a salty, over-processed gas station staple and been reimagined as a convenient nibble that's low in carbohydrates and high in protein. Americans have gone crazy for jerky. We spent \$2.8 billion on dried meat snacks last year, according to the market research firm IRI with sales growth of 12.5 percent last year.

It turns out jerky is the perfect food for the moment. Millennials are snacking more than ever, and people want more protein in their diet, according to the National Snack Food Association. It's a good all-around snack and, bonus, it's ready to go in more flavors than you can count.

24/7

multi-tasking lifestyles becoming more and more common





Micro-brands mean big business

In 2015, traditional CPG sales in the U.S. rose by 3.1% to \$670 billion. Furthermore, small companies (those with less than \$1 billion in sales) and midsize companies (\$1 billion to \$5 billion) accounted for 46.4% of total CPG sales, a 0.5 percentage-point gain since 2014 and 2.7 percentage-point gain since 2011. That translates into an \$18.1 billion shift in market share during the past four years. This growth by small and midsize companies was driven largely by their ability to gain wider distribution for their products, according to IRI data.

How we can help:

- **High-impact graphics**
- **Recycled or biodegradable materials**
- **Product transparency**
- **Sealing/reseal options**
- **Variety of shapes, sizes and formats**
- **Stackability and shelf presence**



A solution from end to end and top to bottom

We're not just your packaging provider, we're your partner in delivering an end-to-end solution for your brand. From our innovation and insights teams to our display and packaging services specialists, we're able to offer marketing, merchandising and supply-chain assistance to ensure you have the right product, in the right package, at the right place, at the right time.

Sonoco's global network of strategically located service centers provides the expertise and capacity to effectively execute and manage a wide range of services including:

- Supply-chain-efficient promotional solutions
- Custom temporary and permanent displays
- Management of promotional programs
- Product pack-out and distribution

In addition to offering an end-to-end solution when it comes to value-added services, we also deliver a complete top-to-bottom solution with respect to manufacturing and production. Sonoco designs and produces the ends, closures, can body and graphics for our rigid paperboard containers.



How technology can contribute to marketability

Paper Bottom Design: One of the ways Sonoco supports a brand's need to incorporate more sustainable components in their packaging is our EcoSeal paper bottom technology. Made from recycled materials, EcoSeal provides an extremely viable option to more traditional metal ends.

Branded Membrane Design: Did someone say expanded billboard space? That's right. Let our designers help you create a unique peel-away freshness seal for your product while adding additional billboard capabilities for your brand. We use state-of-the-art rotogravure presses to create vibrant, eye-catching labels. The smooth surface of the rigid paperboard container delivers superior optics and a smooth surface to tell your brand's story.

Lidding and Closure Options: With convenience, portion control and reducing food waste of critical importance to consumers, our ability to offer a wide range of lidding and easy-open, easy-reclose options makes rigid paperboard containers an ideal option for snack foods. Our patented Ultraseal membrane end creates a hermetically sealed package, ensuring your product maintains its integrity throughout the distribution cycle.

Snacking: A trend that's good to grow.

So, if you're looking for a packaging partner that is good to go, we welcome a conversation. The snacking trend offers a real opportunity for food companies to capture incremental growth, expand margins and establish brand loyalty with a growing demographic—millennials—while appealing to a wide range of older consumers who are changing their lifestyles and eating habits. Rigid paperboard containers from Sonoco are uniquely suited to helping ascending and established brands open up new markets with a wide range of packaging and services options. It's all good.



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