

STATE OF THE INDUSTRY

PRETZELS

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PRETZEL PARADISE

Cleaner labels, healthier ingredients, greater variety of flavors on the menu for consumers.

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The hard pretzel category grew steadily in the past year as consumers stuck at home continued to snack, although fortunes varied significantly from brand to brand. During the past year, consumer focus on cleaner labels and healthier ingredients has ramped up, while manufacturers have continued to experiment with a wider variety of flavors. Pretzel product and ingredient makers predict those trends will continue.

THE BOTTOM LINE

- New and innovative flavors
- Clean-label and healthy ingredients
- Consumers look for "simple labels"

MARKET DATA

The overall pretzels category saw 6.0 percent growth to \$1.4 billion in sales for the 52 weeks ending May 16, according to multi-outlet data from IRI. Snyder's of Hanover was the top-selling brand at \$489.4 million, up 5.6 percent. Private label brands combined for \$246.1 million in sales, up 3.0 percent.

Dots Homestyle Pretzels, the next-highest-selling brand at \$160.4 million, nearly doubled in sales from the previous year, up a whopping 91.5 percent. Other top-selling brands did not fare as well—ROLD GOLD saw \$130.6 million in sales, but that was down 13.5 percent from a year earlier, while Combos enjoyed \$111.4 million, down 9.7 percent.

The Chocolate Covered Salted Snack category, which includes pretzels among other munchables, grew 6.5 percent to \$329.0 million in sales for the 52 weeks ending May 16, IRI found. General Mills Chex Mix Muddy Buddies led the category with \$77.5 million in sales, up 12.1 percent, while Flipz took in \$72.4 million, up 8.9 percent.

Malt Products Corp., Saddle Brook, NJ, makes malted barley extract, oat extract and other natural sweeteners with antioxidants, minerals and digestible proteins that help with an improved microbiome, says Amy Targan, president. She believes the most important trend in snacking has been the increase in consumer savviness about what's in their food.

"Clean label formulations with healthier, all-natural ingredients have been gaining steam in the snack segment for quite some time," Targan says. "The protracted pandemic-related lockdowns only accelerated this, as it gave consumers more time to consider what they were eating [and] more thoroughly examine ingredients."



Courtesy of Malt Products Corp.

To bring about greater product differentiation through use of ingredients, Malt Products has seen a "push for pantry friendliness" with designations like "no sugar added" and "gluten-free," she says. MaltRite liquid and dry extracts eliminate the need for genetically modified ingredients used to enhance flavor, color, and shelf life, she adds, while the OatRite brand handles gluten-free applications. Both improve protein, fiber, and mineral content.

Malt Products has noticed a significant expansion and innovation in the pretzel category, with a greater variety of shapes and popularity of flavors like Buffalo, jalapeno, and honey mustard, Dijon, and sriracha, Targan says. "There's also a push to further improve upon pretzels' already positive reputation as a 'mindful munching' option compared to other snack foods," she says.

Ingredient maker Batory Foods, Rosemont, IL, also has noticed greater consumer desire for transparent ingredients as well as "clean" call-outs like gluten-free, says Jamie Mogilner, director of marketing, communications & sustainability. Allergen-free fillings like almond butter pretzel bites are popular, and overall shape trends include pretzel pieces, twists, and filled.

"In addition, we are seeing trends for hybrid of flavors [such as] sweet and savory," including garlic parmesan as well as strawberry and vanilla yogurt, she says. "We are seeing a lot of holiday-inspired flavors in this category and also familiar paired flavors, such as Pretzel Pete's Cinnamon Brown Sugar, Bacon Cheddar, and Buffalo Blue. Additionally, there are trends toward indulgent pretzels such as Snappers caramel dark, dark chocolate and sea salt."