

## Grocery Trends

### **The Gray Area**

For the better part of the last three decades, the majority of the grocery industry's allied trading partners have been spending time, resources and energy courting younger, hipper, convenience-seeking consumers. But with approximately 76 million Baby Boomers representing almost 30 percent of the U.S. population – and with 72 percent of them homeowners and 83 percent employed full time, according to Spectra Marketing Systems Inc. – the important Baby Boomers consumer demographic segment is proving to be an increasingly influential factor at retail.

A recent national study of Baby Boomers conducted by The Nielsen Co. and Age Lessons reveals the emergence of a new sub-segment known as “Pivot Spenders,” who provide financial support on an ongoing basis to elderly/retired parents or to an “adult child” of 18 years or older. Fully 22 percent of Boomers contribute to the financial upkeep of a senior parent, while 24 percent help out an adult child not in college.

The findings cast new light on the already-considerable purchasing clout of the Baby Boomer segment, notes Todd Hale, s.v.p./Nielsen Homescan & Spectra. In addition to buying for their live-in family, says Hale, “Many Boomers are shopping for multiple households -- including their aging parents and empty nest children. Boomers are proving to be both the social and financial epicenter of the family unit.”

The Nielsen/Age Lessons study finds almost 40 percent of Boomer Pivot Spenders shell out roughly \$1,000 or more annually toward the expenses of their elderly parents, while an impressive 56 percent contributed at least that amount to supplement an adult child as he or she, hopefully, establishes an independent life outside the family home. Not surprisingly, the top two areas of need/contribution for both older parents and adult children are: groceries, (58 percent for older parents and 47 percent for adult children) and housing (47 percent and 37 percent, respectively).

The Pivot Spender perspective might also help explain the popularity of warehouse club stores like Costco and Sam's Club on the retail side; and single-serve, multi-pack functional foods on the supplier side.

Today's Boomers comprise a demographic that is more diverse than previous generations in terms of lifestyle, health, family size, and income. That's why it is imperative for retailers to forego the one-size-fits-all approach in favor of more relevant strategies that fully capitalize on the significant buying power and greater discretionary income of this largest, best-educated, and wealthiest generation in American history.



## Consumer Trends

### **Grills Gone Wild!; Grilling Not Just for Summer**

With autumn upon us, it might be logical to assume the coals of peak backyard barbecue season would by now be largely extinguished. But as savvy food retailers are well aware, grilling isn't just for summer anymore; it has evolved into one of the hottest year-round culinary trends.

Indeed, a majority of consumers consider fall as a prime time for outdoor grilling, not only because the cooler weather provides ideal grilling conditions, but also because it ushers in festive, seasonal group activities such as football tailgating parties and backyard bonfires.

And with daylight-saving time ending later this year, the Arlington, VA-based Hearth, Patio & Barbecue Association (HPBA) recently reported that nearly three-fourths of consumers said they intend to keep their grills sizzling well past Labor Day.

Though men are far more likely to barbecue than women - and even more so when entertaining -- the flames emanating from the beloved outdoor hearth are increasingly being fanned by women. A full 34 million women now report using the grill a "couple of times a week" during peak grilling season, according to a recent survey by the Propane Education and Research Council (PERC).



## Grocery Innovation

### **Gut Reaction; Functional Foods**

For the 60-70 million people suffering from digestive health problems, there's an exciting new approach to feeling good inside and out. One of the hottest trends in functional foods is the growth of pre and probiotics. The pre/probiotic food and beverage category now totals more than \$500MM, growing at more than 50%.

So what are pre and probiotics? Probiotics are live cultures that provide health benefits, such as maintaining good digestion, when eaten in adequate amounts. The term "live cultures" refer to a living microorganisms - like the kind found in the billions in the digestive system - where they exist naturally and are a vital part of the system's function. Prebiotics are usually non-digestible natural food ingredients that promote the growth of probiotics in the gut. Both prebiotics and probiotics can play a role in promoting good digestive health.

Despite their tremendous growth, most of the pre/probiotic offerings today consist of yogurt and yogurt drinks. Kraft's new line of LIVEACTIVE products provide consumers with delicious options to help digestive health while enjoying the natural cheese and cottage cheese they love.

LIVEACTIVE Cottage Cheese from BREAKSTONE'S and KNUDSEN helps naturally regulate your digestive system because it contains prebiotic fiber -- even more than yogurt. And LIVEACTIVE Natural cheese snacks contain a live, natural culture that helps promote regularity in two weeks when eaten daily.

And while there's little doubt that digestive health-friendly products are rapidly emerging as one of the fastest growing functional foods, a growing body of evidence suggests that industry has only just begun to tap pre/probiotics' potential, which is expected to skyrocket in tandem with greater consumer awareness of the benefits.

Retailers would be wise to take a consumer-centric point of view, by developing effective merchandising strategies that can help create visual speed bumps to encourage their customers to slow down and explore the full range of products, many of which not only promise to fortify their diets, but also grocers' bottom lines.



## LIVEACTIVE

Live well. *LiveActive*

LIVEACTIVE Cottage Cheese from BREAKSTONE'S and KNUDSEN and Natural Cheese Snacks from KRAFT are delicious ways to promote digestive health, helping you stay active and feel your best.



LIVEACTIVE Cottage Cheese from BREAKSTONE'S and KNUDSEN helps naturally regulate your digestive system because it contains prebiotic fiber--even more than yogurt.

LIVEACTIVE Natural Cheese Snacks from KRAFT contain a live, natural culture that helps promote regularity in two weeks when eaten daily.



## **KRAFT Barbecue Sauce**



BULL'S-EYE Barbecue Sauce offers a delicious selection of flavors, delivering a BIG BOLD TASTE experience to your favorite meats, hot off the grill! New BULL'S-EYE GUINNESS Draught Beer Blend combines Premium BBQ Sauce with a Premium Beer to create a great tasting flavor with BIG BOLD TASTE perfect for anything that needs grilling.

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## **JELL-O Fusions Gelatin**

Surprise your taste buds with the exciting blends of new JELL-O gelatin fusion flavors. We've put an exotic twist on your favorite flavors and the result is a multiple fruit-fused combination you're sure to love.



## **JELL-O Pudding with Mix-ins**

Stir up some fun with new JELL-O Instant Pudding & Pie Filling with chips right in the mix. It's a quick and delicious dessert the whole family can enjoy, plus it's ready in 5 minutes.



## **TANG with FRUITRITION**

TANG FRUITRITION offers affordable morning nutrition with select vitamins found in fruit juice; A, B6, B2, C, B3 with calcium, and half the sugar of 100% juice. Moms everywhere trust TANG!

## CAPRI SUN ROARIN' WATERS

Water has gone from borin' to ROARIN' WATERS. Our fruit-flavored CAPRI SUN ROARIN' WATERS beverage is water, the way kids want it—a sensible solution to help your kids meet their daily fluid consumption needs.



## KRAFT BISTRO DELUXE



Now adults can have the cheese flavor of KRAFT Macaroni & Cheese that they loved as kids, but with a gourmet, “grown-up” taste. New KRAFT BISTRO DELUXE – a sophisticated mac and cheese experience with fine ingredients such as sun dried tomatoes, Portobello Mushrooms and Asiago cheese, that helps to bring the bistro experience home with the twist of unique flavors.