

INDULGENT FOOD TREND

premium OR permissible

The pandemic spurred consumers to look for comfort and escape in their food. As we move forward, consumers say they'll seek a balanced approach to indulgence.



premium indulgent foods that turn consumption into an experience

CONSUMERS WANT



permissibly indulgent foods that offer classic, favorite flavors

COVID-19 drove desire for indulgent products


Consumption of indulgent sweets rose **+17%** during COVID-19 **19%** expect to continue these new habits a year from now

Chocolate is one of the top indulgent snacks of the pandemic; demand remains strong

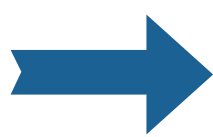
Nearly **90%** of consumers purchased some form of chocolate candy during Q1 2021



Consumers turning to chocolate as a functional aid

 **52%** agreed that chocolate lifts their mood  **59%** said it boosts their energy  **52%** indicated chocolate "gets them through a tough day"

Since COVID-19, people are "...eating more unhealthy foods when ordering out" **(+8%)**



They often choose healthy entrees, then indulge in appetizers, desserts and alcoholic beverages

While consumers still desire indulgent foods, many search for healthier alternatives to old-school favorites

Product launches centered around indulgence in 2020, while 2021 focus is on "premiumization" and "permissible" indulgence to meet changing consumer needs

- Consumers want to reincorporate healthy habits back into their diets by indulging less often
- These complementary claims – premiumization and permissible indulgence – go together and consumers will likely embrace both

Premiumization

- ✓ Consumers cutting back on indulgence want it to be "worth it" when they do indulge
- ✓ Taste, nutrition and functionality offer top appeal
- ✓ Brands must continue to innovate with new sensations and textures
- ✓ Special-edition products will be key for snacking occasions and may warrant a slightly higher spend
- ✓ Premium products can be viewed as an experience offering consumers an escape or adventurous feeling

Permissible Indulgence

- ✓ Permissible indulgence likely here to stay as consumers seek food products that lift their moods, while also paying attention to personal health
- ✓ Consumers seek "better for you" indulgent options that allow them to incorporate more treats into their diets
- ✓ Small package size helps make these products feel like an acceptable treat and ensures consumers won't "overindulge"
- ✓ Potential to naturally reduce sugar content without impacting the perception of indulgence; brands can reduce sweetness through savory flavor profiles

Fastest-growing flavors for indulgent entrees, snacks and desserts highlight "permissible" and "premium" trends

- Recent pizza and pasta product launches have highlighted less indulgent flavors such as cauliflower, broccoli and vegetables — more "permissible" options that help consumers focus on a balanced diet while enjoying classically indulgent entrees
- Flavors of new potato chips, desserts and ice creams lean more toward the "premiumization" side — highlighting growth of more diverse flavor selections that offer consumers an "experience" or "adventure"



Fastest-growing flavors of indulgent food product launches:



PIZZA

- +300%** Spice/Spicy
- +200%** Buffalo Sauce/ Buffalo Style
- +150%** Sausage
- +150%** Cauliflower



PASTA

- +600%** Chicken
- +400%** White Cheddar
- +300%** Pesto/Pistou
- +300%** Broccoli
- +200%** Beef
- +150%** Vegetable



POTATO CHIPS

- +300%** Chili/ Chili Pepper
- +300%** Jalapeno
- +200%** Cheese
- +100%** Lime
- +100%** Pickle/Pickled



DESSERT + ICE CREAM

- +300%** Coconut
- +250%** Orange/ Sweet Orange
- +200%** Lime
- +200%** Peppermint
- +200%** Chocolate (Truffle/Tartufo)