SNACKING, TEA, COFFEE, COCOA

CASE STUDIES BASED AI BASED CONSUMER RESEARCH
1. Brief Introduction
2. Evolution of snacking, tea, coffee, and cocoa
3. 113 Insights: Where is the opportunity?
THE POWER OF AI BASED CONSUMER RESEARCH

We are listening to consumers' wants and needs more acutely than ever before with the goal of satisfying their unspoken desires.
Conversations online provide insight into almost any given topic.
CONSUMERS ARE TALKING AND SHARING

- Consumer Commentaries
- Consumer Conversations
- Consumer Visual Media
- Consumer Reviews
- Consumer Influencers
Forums
Social Networks
Blogs
Tumblr
Consumer Reviews
News
Buying?
Eating?
Spending?
Lifestyles?
Life-hacks?
Decisions?
BASIC HUMAN NEEDS

Wi-Fi

Battery
The Frozen Meal category was on a massive decline

Over 15% year after year since 2013
We analyzed over 100,000 organic pure conversations of consumers eating frozen meals.
What do you see?
<table>
<thead>
<tr>
<th>Username</th>
<th>Message</th>
</tr>
</thead>
<tbody>
<tr>
<td>@sassygirlem</td>
<td>I think Lean Cuisine is the saddest thing ever</td>
</tr>
<tr>
<td>@doguillo</td>
<td>There’s nothing more depressing then eating a Lean Cuisine alone in a conference room where anyone walking by can see you. #Shame</td>
</tr>
<tr>
<td>@nh22co</td>
<td>Ever eat a lean cuisine and think “I am so alone”?</td>
</tr>
<tr>
<td>@thatcanadianbwa</td>
<td>Eating a Lean Cuisine, alone, like a single 37 year old lady that has two dogs and a bird.</td>
</tr>
<tr>
<td>@XavierAbs</td>
<td>Another Friday night alone eating a lean cuisine for dinner…..LAME</td>
</tr>
</tbody>
</table>
The relationship between consumers and frozen meals is broken.
What were consumers doing to compensate in this category?
Compensating Conversations

@thedebsterruns2
My Cabernet wine tasted so good with my weight watchers ice cream...Yum

@TCBwhy03
Having a glass of wine with a frozen meal to make you seem fancy. #tsm

@Christymsmiles
I find that a chicken Parmesan lean cuisine is paired best with a boxed pink wine. #classytaste

@trishmane
Bought a bottle of wine that cost more than $10 (for once) to pair with my Lean Cuisine. Just classing it up over here.

@themediamatters
Looooong day. Wine. Healthy Choice meal. @NBCTheVoice. Bed. In that order.
Rebuild Relationship

Rebuild the relationship between consumers and frozen meals.
Consumer Behavior Model uncovered desire to be indulgent and move away from diet and calories
Consumer Behavior Model uncovered desire to be indulgent and move away from diet and calories. Diametrically opposite to current strategy.
Opportunities Workshop
Based on Design Thinking Process
Heinz new products
“113’s research helped build the foundation insight about broken relationship of consumers with frozen meals. Smart Made and Devour were directly inspired by these insights.”

– Andrew Theil, Fmr Senior Brand Manager, R&D Frozen Meals, Kraft Heinz
Consumer Behavior Modeling for CPG INNOVATION
Concentrate Juice category is on a massive decline!
Over 12% year after year since 2008
Ocean Spray Case Study
Juice Aisles are Shrinking
Analyzed 150,000+ Conversations
Compensating Behaviors

Drinking out of an opaque flask
Compensating Behaviors

@27andaphd
RT @tattoosandbones: Just because I like cranberry juice, doesn’t mean I have a UTI.

@CarCrashHeart13
I really like cranberry juice but whenever I buy it I feel the cashier judging me like I have a UTI or something

@SammyHarkin
@lxsingteeth PEOPLE THINK ITS WEIRD I DRINK CRANBERRY JUICE

@ToniTeeTones
RT @jadorechrista: people ask if I have a bladder problem with the way I drink cranberry juice, it’s just too buff

@B_mac_14
If you catch me drinking cranberry juice don’t assume I have a urinary tract infection.. I just like how it tastes
An Ocean Spray drink that has the taste, and benefit of cranberry juice, that hydrates and most of all, does not embarrass them
Ocean Spray Products
Opportunities Workshop
Ocean Spray PACt™ New Product Concept
Compensating Behavior

Drinking Cranberry Juice from a wine glass or crystal glass in the evening
An evening Ocean Spray drink that is non-alcoholic, classy, tasty, healthy and fun
Opportunities Workshop
Opportunities Workshop
Mocktails New Product Concept
Mocktails New Product Concept
New Image
113’s AI Based Generated New Products
SNACKING
150K ONLINE CONVERSATIONS about snacking observed over a one-year period

WHAT DID WE LEARN FROM THE DATA?
7 KEY CONSUMER SEGMENTS BASED ON SNACKING BEHAVIORS

1. THE DAILY SNACKER
   Snacks out of habit or preference out of boredom and/or satiation

2. THE MIDNIGHT SNACKER
   Motivated by spur-of-the-moment desires late at night

3. THE PARENT
   Values convenience and ease of use for themselves and their children

4. THE WELLNESS SNACKER
   Gravitates toward “better-for-you” ingredients and foods

5. THE TRAVEL SNACKER
   Eats snacks in place of meals when on-the-go

6. THE DIETER
   Seeks out the perfect snack that is compliant with specific dietary needs

7. THE SPORTS SNACKER
   Views snacking as a shared experience during sporting events
EVOLUTION OF THE SNACK

Snacks have graduated to a place of holding higher responsibility than simply “food that satiates”

JOB WAS:
To satiate in moments of hunger between the traditional 3 meals per day

JOB IS NOW:
To protect, maintain, and improve mental and physical health
SNACKS PROVIDE FUEL IN BOTH THE LITERAL & FIGURATIVE SENSE

**FUNCTIONAL FUEL**

Provide the body and brain with nourishment and energy throughout the day

**EMOTIONAL/MENTAL FUEL**

Stave off hunger in a healthy way to prevent binge eating or unhealthy snacking temptations
For many consumers, snacking plays a conscious & critical role in their everyday eating routine.

Snacking allows for smaller meal portions overall, leading to the mindset of a healthier lifestyle.

Many are abandoning the traditional mindset that 3 meals per day is the standard, instead replacing with several smaller meals comprised of foods formerly viewed as snacks.
LIFESTYLE DRIVES SNACKING

Snacking that fit into the lifestyles they’ve chosen will always win

DIETS

Keto, Paleo, Low Carb, Weight Watchers, Whole30 are among top diets mentioned online

Snacks include: nuts, protein balls, avocados, eggs, hummus

WELLNESS

Snacks serve an important role in overall physical and mental wellness—snacking is viewed as a means of alleviating anxiety, depression, and eating disorders

Snacks include: Whole foods, fruits, vegetables
SECONDARY NEEDS

SENSORY ASPECTS
Once the need for healthier options is solved, consumers begin to evaluate snacks for more pleasure-oriented elements like:

- Taste
- Texture
- Aroma
- Visual Appeal
- Portability
Snacking will only continue to grow in importance to the consumer. Many will replace meals entirely—mainly breakfast and lunch—with smaller, easy-to-pack options for on-the-go consumption.

The snack foods most frequently praised online strongly resemble foods traditionally viewed as or marketed as children’s snack-time items:

*Think:* sliced vegetables or fruits and dips, gummies, baked chips or crackers, cheese & nut/dried fruit protein packs
Buyers should think about purchasing snacks that are age-agnostic, yet sell a better-for-you message through the imagery and packaging.

- The mentality is: “If it is good enough for my child, then it should be good enough for me.”
- Consumers are looking for diet-friendly or “real ingredient” versions of their favorites snacks designed with convenience in mind.
COFFEE, TEA & COCOA
OVER 1 MILLION DIGITAL DISCUSSIONS

about the coffee, tea, and cocoa category analyzed between the years of 2015 and 2020

SIGNIFICANT INSIGHTS FROM THE DATA...
This research uncovered 3 consumer segments: coffee behaviors.

1. **THE COFFEE NOVICE**
   Focused solely on coffee as a fuel source and flavor that they enjoyed and/or tolerated over the ritual and passion.

2. **THE COFFEE LEARNER**
   Sees coffee as fuel, but also has an appreciation for the flavor and routine involved with the beverage; is exploring new brewer types for the first time.

3. **THE COFFEE AFICIONADO**
   Has a strong passion for the flavor, consistency, routine and status of a quality cup of coffee.
TEA DRINKERS ARE MOTIVATED BY THE FOLLOWING FACTORS

1. HEALTH BENEFITS / HERO INGREDIENTS
2. BEVERAGE VARIETY
3. EASE OF PREPARATION
4. FLAVORFUL EXPERIENCE
5. VERSATILITY (DRINKABLE ANY TIME OF DAY)
6. ABILITY TO CUSTOMIZE
As consumers have become more health conscious, sugar is now top of mind

- Many consumers are looking to limit or eliminate sugar consumption in their beverages
- This creates both challenges and opportunities for the overall beverage industry
  - Consumers abandoning sugary beverages will need something to fill the void
Why are consumers opting to cut out sugar in their beverages?

- Lead an overall healthier lifestyle
- Lose weight/adhere to diet
- Satisfy a specific health need (pregnant, diabetes, etc.)
When you look at beverages consumed daily, like coffee or tea, consumers are less likely to accept high sugar.

They are seeking ways to reduce sugar through:

- Lower-sugar options
- Alternative sweeteners
- Limiting consumption
BEHAVIORS
Different approaches to managing sugar in beverages

REPLACING
Trading high-sugar options like lattes, cappuccinos, cocoa, and sweet tea for options like black coffee or cold brew, and black, green, or chamomile tea

RESTRICTING
In some cases consumers would rather limit sweet beverages than give them up or reduce sweetness

EX. Sugary drinks only at Starbucks
Consumers see coffee and tea as beverages offering more freedom to directly control how much sugar or sweetener they add to meet their desired level of permissibility.

- Adding the minimum amount of sugar while still enjoying the flavor.
- Controlling amount of sugar to know exactly how much they’re consuming.
- Gradually reducing sugar they add over time until they’re not using any additive.
This transition away from sugar will likely spark increases in the sizes of the following coffee segments

1. The Coffee Learner
   These segments are excited by the flavor of coffee and are less interested or not interested at all in sweetening their coffee, so they will be more satisfied with no-flavor-added coffee beverages

2. The Coffee Aficionado

What this means for the tea category...

Tea drinkers motivated by health benefits / hero ingredients and the ability to customize will be drawn to beverages that augment their healthy lifestyles and allow them to create their own flavorful experience with their flavor additives or sweeteners
KEY TAKEAWAYS

● Consumers are willing to accept “less sweet” in exchange for better health

● Satisfying the sweetness craving is flexible—consumers don’t need exactly the same amount of sweetness every time
Buyers should think about RTD drinks that allow consumers to control their sugar consumption

- Consumers want **more control** over the level of sugar they’re consuming in beverages (regular, variable, low-sugar, no-sugar, etc.)

- Provide them with **means of enhancing taste, flavor, sensations, or experiences** to coffee, tea, and other beverages without adding sugar (or in place of sugar)

- Provide products that **assist** consumers in their efforts to **wean themselves off sugar**—insert your brand into the process they are already doing on their own
IN SUMMARY

In the coming years, consumers are not going to become less busy, nor is the wellness trend going to disappear. That means buyers and retailers need to provide snacks and beverages that fit into their on-the-go lifestyles while providing better alternatives—the keyword being better.

Consumers are willing to accept snacks and drinks that are not perfect if they do offer a combination of:

- Healthier alternative
- Portability
- High function
- Flavorful experience
HOW CAN THIS RESEARCH BE LEVERAGED?

- Marketing
- Innovation
- Mergers & Acquisitions
- Strategic Questions & Direction
THANK YOU

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