

Coffee, Tea & Drink Ingredients

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TRENDS OF THE JAPANESE SNACK MARKET / SNACKS USING CHOCOLATE, CHOCOLATE COMBINATION IS THE TREND / NEW DEMAND FOR SNACKS AS AN EMERGENCY FOOD**Trends of the Japanese Snack Market**

The snack market during the first half of the year (January to June) in 2011 was lower than the previous year. This is due to the 3.11 earthquake. The domestic market size in 2010 was a 1.5% drop from 2009 to 3.208 trillion yen. Of that, chocolate was 418 billion yen. After the earthquake, the sense of uncertainty continued throughout the market as a whole, but it has gotten better since June. Japanese market is now getting ready for so-called "sales battle" starting this fall.

At places that were damaged by the earthquake, there were many scenes where snacks got attention as a way of communication and for its wonderfulness and comfort. During the briefing held in July by the snack representatives of confectionary makers for this fall's sales battle, the makers commented as the following. "Making everyone in Japan happy is our company's mission. At times like this, we believe that there are the things that snacks can do, and there are things that only snacks can do." (Vice Chairman Shigemitsu from Lotte) "Snacks are the best communication tool, and we want to show the consumers with sincere, positive way." (Managing Director Nakagawa from Ezaki Gulico)

The trend of each domestic maker is that they are producing new products in addition to steady, secure long selling ones and already existing products that reflect the time. This makes the company more active and stronger. Also, there are suggestions that promote "bond" and "connection" that snacks have as a communication tool for consuming.

Snacks Using Chocolate, Chocolate Combination is the Trend

Nice texture and crispiness added chocolate or the combination of chocolate and biscuits will become the main force of this fall's sales battle. With high demand in chocolate, there are makers who are adding the flavor of chocolate to biscuits. These makers say that "there are more consumers who want to eat chocolate before the season of genuine chocolate with low melting point."

This year, because of power saving, stores are required to sell products without much air conditioning. The key point of snacks using chocolate are using "chocolate that doesn't melt" and the attention is moving from chocolate that needs temperature control to snacks using chocolate.

On the other hand, while the biscuit market is dropping, the chocolate combination grew twice from last year and it has become of the market's trend category.

New Demand for Snacks as an Emergency Food

Right after the earthquake, many processed foods disappeared from store shelves, but the demand of snacks that could be eaten without electricity and could be preserved for a long time grew intensively. Snacks that could be eaten as a substitute meal such as cookies and chocolate are still selling well.



For emergency foods, Ezaki Glico sells "Bisco Storage-type Can" and Yamazaki Nabisco Cracker Biscuit sells "Storage-type Can". Lotte also sells "Koala's March Biscuit Storage-type Can" from three years ago at the same time as

"Disaster Prevention Day" on September 1 during a limited time. This year with the effect of the earthquake, they are receiving a lot of inquires from stores all over Japan, and it is estimated to sell twice as much as last year.

Also, Lotte and Ezaki Glico made an appeal of "Xylitol" and "Posca" as mouth care. It was announced that since people could not use water right after the earthquake, chewing gum with multiple functions helped keep the mouth clean.