



# SNACKING, TEA, COFFEE, COCOA

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CASE STUDIES BASED AI BASED  
CONSUMER RESEARCH

113 INDUSTRIES

# DISCUSSION OUTLINE

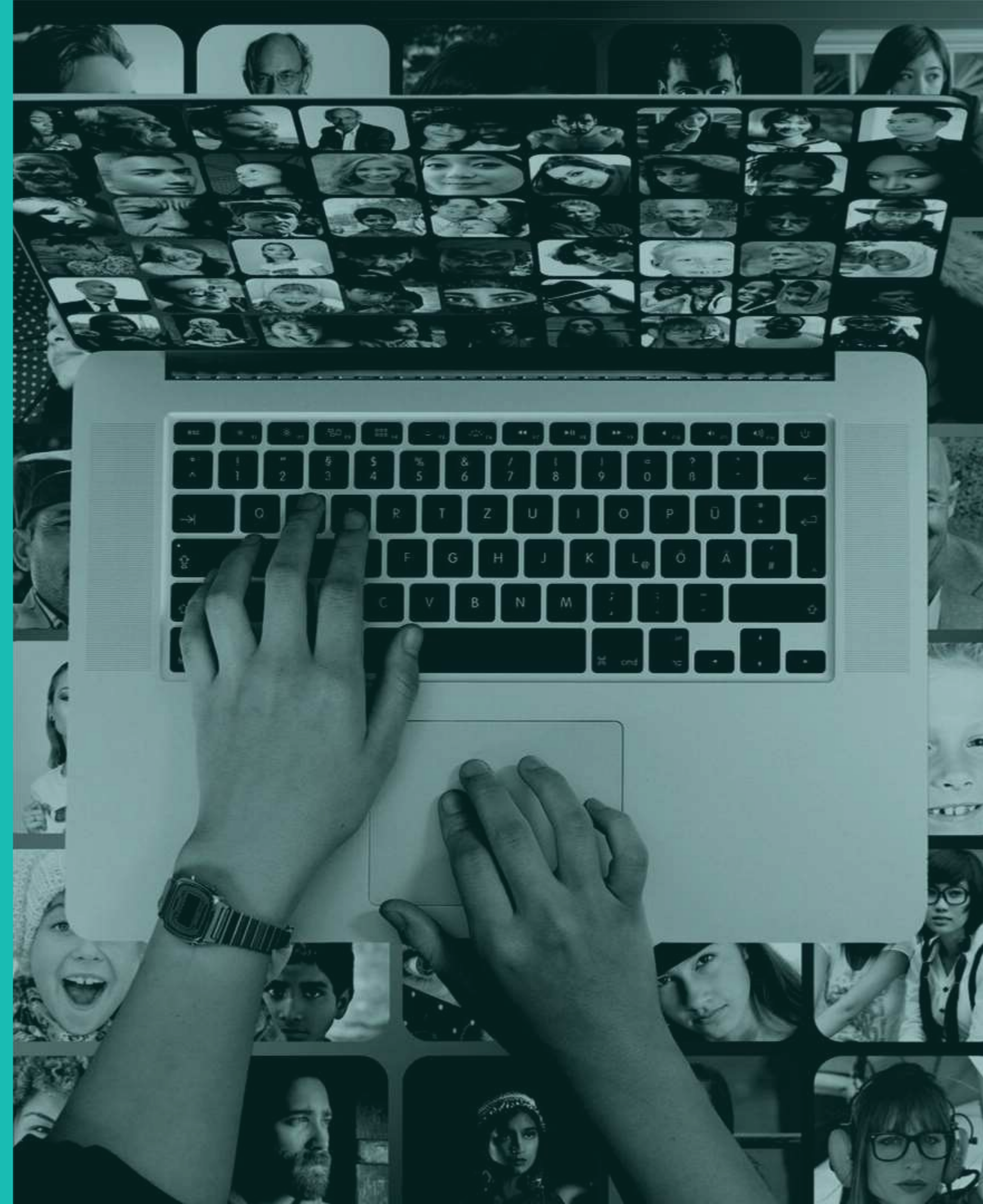
1. Brief Introduction
2. Evolution of snacking, tea, coffee, and cocoa
3. 113 Insights: Where is the opportunity?

**TODAY'S  
HIGHLIGHTS**

# THE POWER OF AI BASED CONSUMER RESEARCH

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We are listening to consumers' wants and needs more acutely than ever before with the goal of satisfying their unspoken desires



# THE CONTENT & THE POSSIBILITIES

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Conversations online  
provide insight into almost  
any given topic

## EMOTIONS

The top positive emotions, such as "love," and the top negative emotions, such as "hate."

## BEHAVIORS

The top positive behaviors, such as "use," and the top negative behaviors, such as "not buy."

## ATTRIBUTES

Positives (likes) or negatives (dislikes) expressed about a topic such as app.

Devin Miller @DevMill

14m 

I **Love** my new iPhone X. I'm **using** the new iTunes **app** to **#stream** the new **Taylor Swift** album. Thanks **Apple**!



## HASHTAGS

Identifies the top hashtags such as #stream.

## PEOPLE

Detects the top people such as Taylor Swift.

## BRANDS

Surfaces the top brands such as Apple.

# CONSUMERS ARE TALKING AND SHARING

Consumer  
**Commentaries**

Consumer  
**Conversations**

Consumer  
**Visual Media**

Consumer  
**Reviews**

Consumer  
**Influencers**



**Buying?**



**Eating?**



**Spending?**



**Lifestyles?**



**Life-hacks?**



**Decisions?**

# BASIC HUMAN NEEDS





HOLLYWOOD

abc



**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?**

# Consumer Conversations

@sassygirlem

I think Lean Cuisine is the saddest thing ever



@doguillo

There's nothing more depressing then eating a Lean Cuisine alone in a conference room where anyone walking by can see you. #Shame



@nh22co

Ever eat a lean cuisine and think "I am so alone"?



@thatcanadianbwa

Eating a Lean Cuisine, alone, like a single 37 year old lady that has two dogs and a bird.



@XavierAbs

Another Friday night alone eating a lean cuisine for dinner.....LAME 😞



**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



@Christymiles

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**

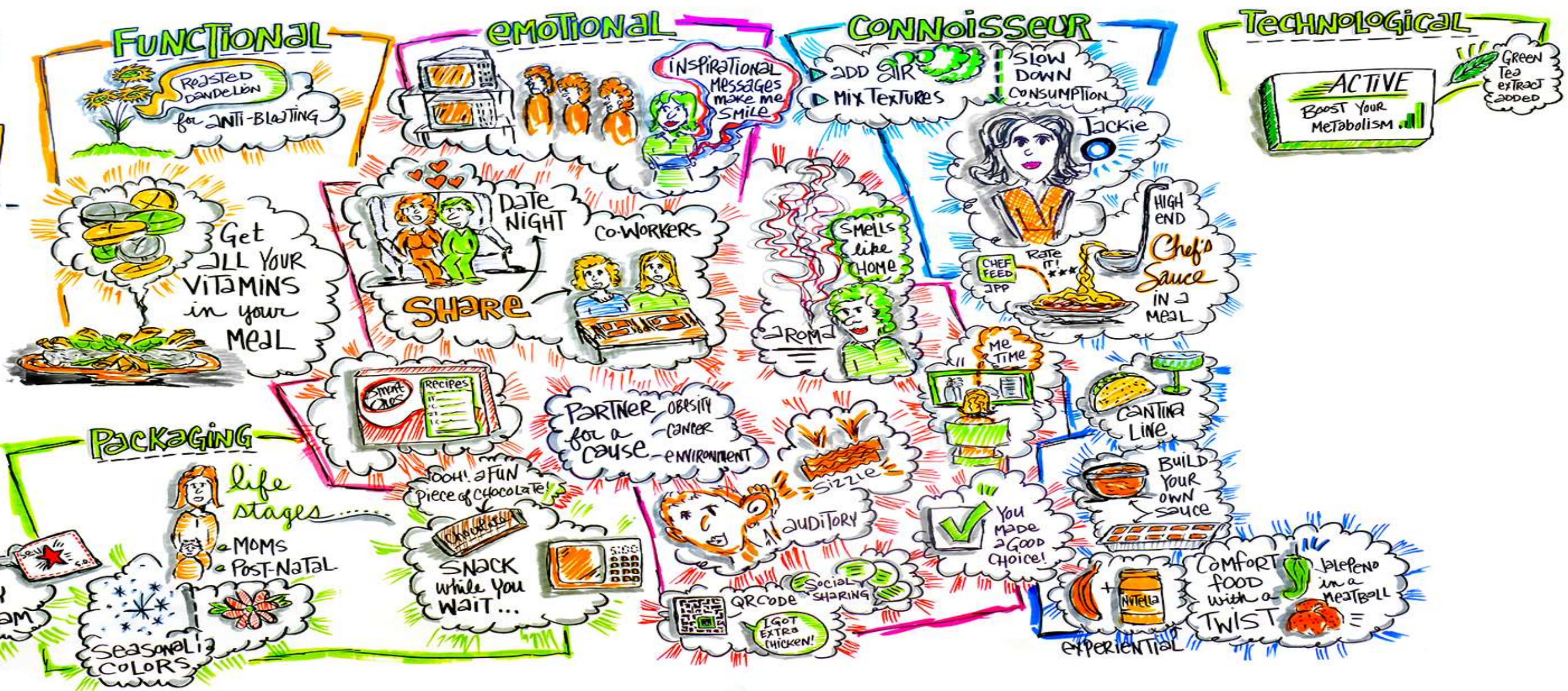
Consumer  
Behavior Model  
uncovered desire  
to be indulgent  
and move away  
from diet and  
calories

**Diametrically  
opposite to  
current  
strategy**

# Opportunities Workshop Based on Design Thinking Process

**Smart Ones**  
IDEATION  
SESSION  
JUNE 5, 2014

The Relationship  
between FROZEN  
WOMEN & FOOD  
is BROKEN



AMILY MARKO.COM

# 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

@ixsingteeth 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



# Unarticulated Need and Jobs To Be Done

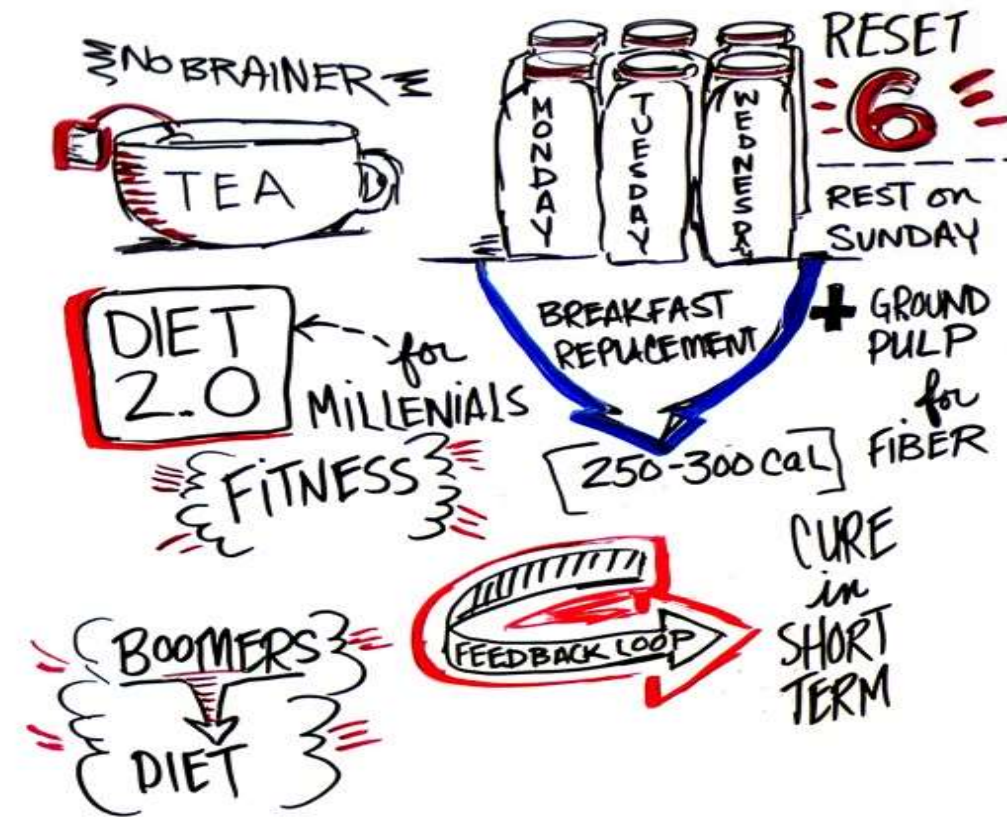


**An Ocean Spray drink that has the taste, and benefit of cranberry juice, that hydrates and most of all, does not embarrass them**

# 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**

# Unarticulated Need and Jobs To Be Done



**An evening Ocean Spray drink that is non-alcoholic, classy,  
tasty, healthy and fun**

# Opportunities Workshop



# Opportunities Workshop



WHY ARE THEY MIXING?

- ▶ CUSTOMIZE
- ▶ MASK DILUTE IT
- ▶ NEW FLAVORS
- SPICE
- NO SPICE

IT'S "AMAZING" WHAT A LITTLE CRANBERRY CAN DO



I WANT IT MY WAY!



INTRODUCE CRANBERRY TO OTHER FOODS



# Mocktails New Product Concept



# Mocktails New Product Concept



# Old Image



# 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

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## 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

# TAKEAWAY

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  
UNCOVERD 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 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

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- 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*



# THE RUSH AWAY FROM SUGAR

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**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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