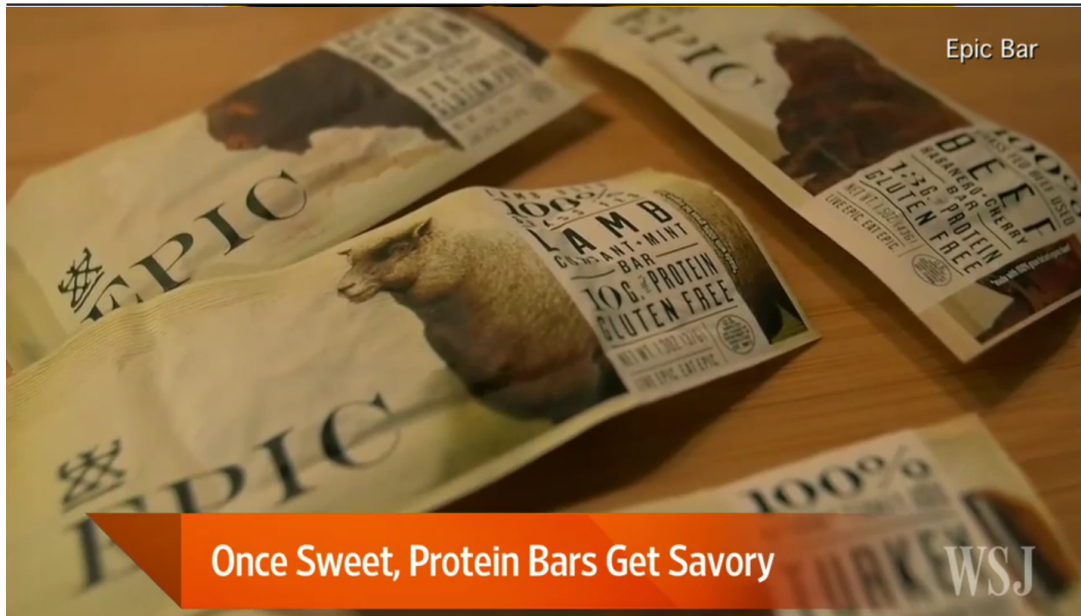


LIFE

Snack Bars Push the Price Envelope and Find Consumers Don't Push Back

Protein Is the Secret Ingredient That Gets Shoppers to Pay Up; Some Make Steak Look Cheap



As consumers move away from sugary, processed snacks, makers of protein bars and energy bars are opening the gates on ingredients like nuts, dried meats and cricket flour. WSJ contributor Alina Dizik reports. Photo: Karen Wang

By ALINA DIZIK

June 9, 2015 1:17 p.m. ET

0 COMMENTS

The Coats family, who live in a small town outside Seattle, are heavy users of snack bars. Robert, his wife, Vicki, and their two sons can eat them for breakfast, warm up them for lunch, and often count on them as an afternoon snack. Their pantry and garage are stocked.

This type of loyal consumption is helping snack bars keep up the pace on a sales streak. Stores are stocking snack bars not just next to magazines and candy bars at checkout for impulse purchases but also with prepared food at salad bars for meals.

Bar makers are opening the floodgates on nuts, dried meats, cricket flour and other nutrient- and [protein-rich ingredients](#) to compete for consumers and command top dollar. Many of these ingredients cost more than those found in a traditional cookie—and as sources of protein, ounce for ounce, some of them cost more than a steak.

There are 1,012 nutrition bars on the market now, compared with just 226 a decade ago, according to a tally by Valient Market Research in Philadelphia.



The Coats family, of Snoqualmie, Wash., keep the pantry stocked with snack bars including Epic's bison-meat-and-cranberry protein bar. PHOTO: BRONWEN HOUCK

The average bar costs about \$2, up from just \$1 10 years ago, a sign of how much more consumers are willing to pay, or “diminishing price sensitivity,” as Valient founder Scott Upham calls it. Snack bars are typically individually wrapped and sold by the bar or in boxes of six.

The cost of ingredients makes up only 25% of the price, and profit margins for bars tend to hover as high as 40% to 50%, compared with only 20% to 30% for most other packaged foods, says Mr. Upham.

Bar consumption corresponds directly with household income, according to 2014 research from Mintel, a Chicago-based market research firm, with households earning \$100,000 to \$149,900 consuming the most bars. Many shoppers won't blink at spending as much as \$3 for a bar they see as offering superior nutrition, retailers say.

Bars that are selling well hit the sweet spot of several food trends. They are convenient for eating on the go, and they have protein. Meanwhile, sales of other types of bars—cereal bars, breakfast bars, granola bars—are flat or fading. Sales of bars marketed specifically for weight loss slid 6.9% in the two years ending in 2014, according to Mintel data. Many brands that boast of high-fiber also have slid. Stores love them because they are individually wrapped and have a long shelf life, yet they are popular and turn over fast.

Shoppers recently have been looking for minimally processed bars containing protein, probiotics or ingredients such as meat and vegetables, says Dwight Richmond, global grocery purchasing coordinator at [Whole Foods Market](#), based in Austin, Texas. Recently, bars featuring meat as a source of protein are getting more display. “Five years ago we didn't consider [meat bars] as an option,” says Mr. Richmond. “It was a fringe element of a jerky category.”



Kind Snacks says the Dark Chocolate Nuts and Sea Salt bar, with 6 grams of protein, is one of its best sellers. Bars in the brand's new Strong & Kind line have more protein.

PHOTO: KIND

Whole Foods' sales of snack bars have grown by more than 10% in the past year, Mr. Richmond says, and Whole Foods is now reviewing its bar selection and looking to weed out poor performers. "Right now, we're in a bar revolution," he says.

Household bar expenditures can reach eye-popping levels pretty fast. Mr. Coats says in summer, his family's peak season for eating bars, they spend about \$150 a month on snack bars. The bison-flavored bars from Epic Bar that his family likes sell for \$2.99 each, or \$2.50 when they buy in bulk from Amazon. His wife, Vicki, prefers Epic's Lamb Currant Mint flavor.

Mr. Coats works out of his home in Snoqualmie, Wash., and says when he feels hungry in midafternoon, he reaches for a bison-meat-and-cranberry protein bar. He keeps the pantry stocked with several kinds of bars and snacks on them not just during work hours but also on hikes with his sons, Waylon, 7 years old, and Austin, 18. He stores some in the garage and keeps a stash in the car, for snacking emergencies. "We try to be like Boy Scouts and be prepared," Mr. Coats says.

Mr. Coats has been experimenting with the Epic bison bar at lunch by warming it in the toaster oven. "When you heat it up it brings some more of the flavors out," he says. "It tastes less like a snack and more like a meal."

Side by Side

Many snack bars cost more, ounce for ounce, than some other sources of protein, and fitness-conscious consumers are willing to pay.



Epic Bison Bacon Cranberry

Protein: 11 grams
Calories: 200
Fat: 12 grams
Cost per serving: \$2.99
Cost per ounce: \$1.97



Kind Dark Chocolate Nuts & Sea Salt

Protein: 6 grams
Calories: 200
Fat: 13 grams
Cost per serving: \$1.69
Cost per ounce: \$1.20



Sirloin Steak

(1 serving, 3 ounces broiled)
Protein: 23 grams
Calories: 200
Fat: 12 grams
Cost per serving: \$2.81
Cost per ounce: \$0.94



Almonds, Dry Roasted

(1 serving, 1 ounce or 23 almonds)
Protein: 6 grams
Calories: 170
Fat: 15 grams
Cost per serving: \$0.69
Cost per ounce: \$0.69

Sources: U.S. Department of Agriculture; American Heart Association; Almond Board of California; Whole Foods in Lincoln Park, Chicago

Photos: from left: EPIC Provisions; Kind; Getty Images (2)

THE WALL STREET JOURNAL.

TK

Although many snack-bar labels highlight protein, someone eating a balanced diet likely doesn't need to worry about additional protein between meals, says Mark Haub, department head of human nutrition at Kansas State University in Manhattan, Kan. For a healthy eater, a snack with protein every day might be overdoing it, he adds.

Eating unprocessed fruits, nuts, meat and other lower-cost nonpackaged foods can provide benefits beyond a typical snack bar, such as significant additional zinc and iron, he says. "If you are just hungry, just have some carrots [at a] lower cost and get to that next meal," he says.

Bar makers, though, say convenience trumps such considerations. "It's hard to carry a steak in your purse," says Lisa Mann, executive vice president at Kind Snacks. It offers an online Advantage Subscription program, which offers frequent purchasers a 72-bar case every one, two or three months for \$90, compared with \$100 a case for a one-time purchase.

Kind Snacks, based in New York, started with sweeter varieties of nuts and dried fruit bars and last year branched out with a savory line, Strong & Kind. The Honey Smoked BBQ variety, with 10 grams of protein, is one of the most popular bars in the new line, Kind says.

Bars from Bearded Bros., based in Austin, Texas, hit the market in 2011, retailing for \$3.50 at Recreational Equipment Inc. (REI) stores. After receiving customer requests for nut-free bars, the brand plans to introduce three savory flavors in August, including Greek spice made with oregano and rosemary, coconut curry and barbecue, says co-owner Caleb Simpson. Customers were eager to try the Orange Kale bar launched last year, which includes vegetables. "Eating sweet stuff gets tiresome," he says.

Getting attention on crowded store shelves is critical. Epic added a see-through window to its packages so consumers get a glimpse of the meat bars, says Taylor Collins, who co-founded Epic Bar, also Austin-based, two years ago. "People were confused about what is a meat bar," Mr. Collins says. Epic bars come in flavors like beef liver, pulled pork pineapple and chicken Sriracha.

At Exo, co-founder Gabi Lewis uses a base of ground cricket flour for bars in flavors including cocoa nut and apple cinnamon. Ground crickets might strike some as unappetizing, says Mr. Lewis, who founded the New York-based company while a student at Brown University. "We have no images of insects or bugs anywhere," he says. "We're trying to downplay the novelty." The 2.1-ounce bars have 10 grams of protein and cost \$2.99 each.