

New York Times

July 7, 2007. p. BU1, 4.

In Small Packages, Fewer Calories and More Profit



By [JEREMY W. PETERS](#)

Published: July 7, 2007

Snack food companies are placing bigger bets on smaller packages.

In just three years, sales of 100-calorie packs of crackers, chips, cookies and candy have passed the \$20-million-a-year mark, making them a breakout hit on par with the SnackWells low-fat fad of the 1990's.

But food companies are cramming store shelves with even more offerings, and new ones are on the way. Frito-Lay has started selling 100-calorie servings of beef jerky. Pepperidge Farm said it was developing several more 100-calorie variations of Goldfish and cookies, after rolling out three new ones a couple of weeks ago. In time for back-to-school, [Hershey](#) said it would offer 100-calorie bags of Twizzlers, and Nabisco will sell two new cookies, Alpha-Bits and Animals Choco Crackers, in 100-calorie packs.

Michael Simon, vice president for snacks at Pepperidge Farm, a unit of [Campbell Soup](#), predicts that the market for these pint-size packages could easily double because of their simple appeal: they help consumers eat less without having to count calories themselves.

The growing popularity of these snack packs — sales grew nearly 30 percent last year — may also be another sign that some consumers have had their fill of supersize food. Just

last month, T.G.I. Friday's, one of the country's largest restaurant chains, said that a new menu option with smaller servings called Right Portion, Right Price had helped increase business at its restaurants, at a time when similar chains are losing customers.

As a business concept, the idea is simple. Take an existing product, portion smaller amounts of it into single-serving bags, and sell several of the bags for about the same or more as a regular-size package.

Consumers do not seem to mind paying more even though they are getting fewer Goldfish.

"It's the smaller bite sizes that resonate with people," said Michelle Barry, a vice president of the Hartman Group, a food market research firm based in Bellevue, Wash. "I don't think we see a lot of small sizes in this country. Everything tends to be supersized."

A report last month from the Hartman Group found that 29 percent of Americans believed that 100-calorie packages were worth the extra cost.

"The irony," said David Adelman, who follows the food industry for [Morgan Stanley](#), "is if you take Wheat Thins or Goldfish, buy a large-size box, count out the items and put them in a Ziploc bag, you'd have essentially the same product." Mr. Adelman estimates that snack packs are about 20 percent more profitable than larger packages.

Food company executives say that while smaller packs do cost more, they help people exercise a little hand-to-mouth restraint.

"What consumers tell us is that they don't think about how much they put in their mouths," Mark Schiller, president of the Quaker foods and snacks division of [Pepsico](#), which makes both 100- and 90-calorie snacks. "What portion control does is tell people the right time to stop."

Last year, sales of 100-calorie snack packs grew 28 percent, according to Information Resources Inc., the food industry research firm. The snack industry as a whole grew just 3.5 percent.

Now it seems a race is under way to offer less. Some snack makers, for example, think even 100 calories might be too much for some [diet](#)-conscious consumers. Hershey, for example, now sells 60-calorie chocolate bars. And Jell-O sells 60-calorie pudding packs.

Some nutritionists say the logic of snack packs misses the point.

"People like to think, 'Oh, this is healthy, it's only 100 calories,'" said **Lisa Young**, author of "*The Portion Teller Plan*," a book on portion control. "A single portion of junk food is better than a large portion of junk food, but it's not better than an apple, a peach or a vegetable."

Tessa Shropshire, a 22-year-old Brooklyn resident, admitted she loses track of how much she eats when snacking from a regular-size bag.

She is not entirely convinced that snack packs are worth the money, but she says she understands their lure.

“With these little bags, you can’t go for another or you’d feel like a pig,” she said, though she decided on value over convenience and bought a big box of Triscuits on a recent outing.

Because consumers know they are getting such small servings in these packs, snack makers have tried to find ways to make them think they are getting more bite for their buck.

Pepperidge Farm, for example, cut its Chessmen cookies down into bite-size portions for its 100-calorie pack. Frito-Lay, a unit of Pepsico, now makes Doritos and Cheetos that are slightly smaller than the ones sold in regular-size bags.

“As we talk to consumers, the more quantity they get, the more psychologically filled they get,” said Mr. Simon of Pepperidge Farm. “So in our design we try to give them as many pieces as we could.”

Exactly how much food is in a 100-calorie pack? To take a few of the more popular examples: about 10 thumbnail-sized butter cookies from Pepperidge Farm; a few handfuls of Orville Redenbacher microwave popcorn; a frosted Oreo granola bar about the length of an index finger.

Industry experts said that low-calorie snack packs could prove to be more than just a fad because they are convenience items, and consumers have typically been willing to pay extra for products they perceive as making their lives easier.

David Cooper, a partner with the corporate consulting firm Bain & Company, said that as many as 40 percent of consumers will pay 20 percent to 30 percent more for a convenience product like a bag of chips with a resealable opening.

“If they felt duped, they wouldn’t buy it,” Mr. Cooper said.

Daisy Beltran, 41, who was shopping for snacks at a drugstore in Midtown Manhattan one recent afternoon, said she considered the extra money she pays for 100-calorie packs a kind of convenience surcharge. Chips Ahoy does the portion control for her, she said, so she knows when to stop.

“They’re pretty expensive, but they’re worth it,” she said. “It’s individually packed for the amount I need, so I don’t go overboard.”

But sometimes 100 calories just isn't enough. "Don't tell anyone," said Meredith Berkowicz, 29, a court reporter who lives in Manhattan and is also a fan of the Chips Ahoy mini packs, "but sometimes I have two."

Attack of the Snacks

Sales of 100-calorie snack packs grew 28 percent last year. Snack pack sales now amount to \$210 million a year.

Sales of top-selling 100-calorie snack packs, in millions

Chips Ahoy	\$29.3
Oreo Cookies	27.4
Ritz Snack Mix	16.4
Cheetos	14.5
Doritos	13.0
Planters Cookies	12.4
Cheese Nips	11.3
Goldfish	10.2

Source: Infoscan Reviews,
Information Resources, Inc.

The New York Times