

# *Lay's Response to Health Trends: Adapting to Changing Consumer Preferences*

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**Abstract:** In recent years, the global snack food market has experienced significant changes due to increasing consumer health awareness. To maintain its position as a leading potato chip brand, Lay's needs to adjust its product mix and marketing strategies to meet the growing demand for healthier options. The study analyzes how Lay's has addressed these challenges by developing a product range that is lower in fat and sodium, reformulating existing products to enhance their nutritional appeal, and rebranding itself with a more health-promoting image. The essay also examines how Lay's balances between offering healthy and indulgent snack lines and explores the opportunities available to Lay's in the expanding health snacks market. A mixed-method approach, including market trend analysis, consumer surveys, and case study comparisons, has been used to understand Lay's strategic responses to evolving consumer preferences. The analysis looks into sociocultural issues and changing consumption patterns, including organic and vegetarian movements, and assesses Lay's development approach. In addition, the essay seeks to understand Lay's ability to grow further in times of competitive pressures and high levels of consumer skepticism with the support of modern technologies and corporate social responsibility. The research focuses on the role of sustainability and innovation in sustaining and strengthening Lay's position in the international snacking market. With the help of shifting its focus to the current consumer trends, Lay's is working towards a more competitive stance within the market. The findings indicate that Lay's strategic emphasis on product innovation has significantly enhanced its market position and consumer appeal.

**Keywords:** Healthy snacks, Lay's, Consumer preferences, Product innovation, Sustainability.

## 1. Introduction

Over the last several years, the food market has been evolving, particularly within the snacks category. Health concerns among many consumers have led a significant number to opt for higher-end or premium snacks [1]. A report states that 65% of people globally are cautious about the snacks they buy and are actively seeking healthier options [2]. These shifts in preferences directly impact the core business of brands like Lay's, which have traditionally been dominated by unhealthy and junk food products. Lay's, owned by PepsiCo, has been a leader in the fast-growing segment of potato chips for the last seventy-five years, catering to various consumer groups with peppery chips for children and crispy snacks for adults. However, as the industry increasingly focuses on health and wellness, Lay's has had to move away from its traditional product lines and adjust its marketing approach [3]. The

aim of this study is to analyze how Lay's has adapted its strategies to address these challenges, focusing on product innovation, marketing, and sustainability practices. The study explores how Lay's balances the need for offering both healthier and indulgent snack options to meet diverse consumer demands. This research uses market trend analysis and consumer surveys to provide insights into Lay's strategies in response to shifting consumer preferences. By understanding these dynamics, the study aims to offer a framework for other food brands on maintaining relevance in a market increasingly driven by health consciousness.

## **2. Analysis of Consumer Demand**

To determine how Lay's can take advantage of the shifting products and services offered to consumers who desire healthy alternatives, it is relevant to examine the prevailing demand for such products. Nowadays, consumers want more healthful and environmentally friendly snacks, which drives brands to rethink and create new snacking concepts.

### **2.1. Consumer Attention on Nutritional Values**

Consumers are becoming more conscious of the food they eat and the origin of the food for illnesses such as obesity, heart problems, diabetes, and many others. A research study [4] further suggests that nutrition information would help 72% of the consumers be persuaded to pick snacks and clearly state "who buys snacks" before purchasing online. This kind of awareness and understanding has also gone beyond the criteria of healthy foods into healthier and more targeted snack options, which has never been the case. As the appetite for products that do not compromise health increases, fast food, and snack propositions have to provide healthier options that are not calorific and are also tasty. A recent study reveals[5] Informs us that most consumers are looking for means to cut down fat, sugar, and salt from their diet and looking for baked products that are tasty and nutrition-enriched. The past five years have seen an approximate 15% yearly increase in demand for low-sodium and low-fat snacks [2].

### **2.2. Natural Organic Preference**

As more people choose healthy diets with natural and organic food, "clean eating" is becoming popular. A report [6] notes that organic snack sales have increased by 15 % every year as customers seek healthy foods with clearly traceable sources. Such snacks are devoid of many harmful agents like preservatives and GMOs. Eco-conscious consumers have also triggered the growth of 'clean labels' that do not contain artificial ingredients. More and more people trust clean labels, and 45% of consumers are willing to pay extra for precise products [1].

### **2.3. Functional Foods**

In this market, consumers are increasingly seeking more functional snacks that align with the healthy snacking trend. Healthy functional foods, such as additional snacks that are rich in vitamins, minerals, fibers, or proteins, are in high demand. An industry report [1] claims that in the next five years, the functional foods segment in the snack industry will expand at least 6.3% annually. Such snacks provide additional nutrition and energy, promote blood circulation and digestion, and strengthen the body's resistance to illness. In a survey[6], around 45% of the respondents expressed their inclination to pay more for snacks with extra benefits. This represents a change in how people approach their health, with consumers looking for snacks that fit within their healthy lifestyle.

## 2.4. Plant-Based

Vegetarian diets are currently experiencing a significant trend, largely due to animal cruelty, environmental destruction, and health issues. The plant-based snacks market size was valued at USD 26.7 Billion in 2021, and projections indicate an 8.1% CAGR growth between 2022 and 2026. The factors spurring this growth include growing numbers of people embracing vegetarianism. A report [7] mentions that increased consumer knowledge and use of nutritional information drive preferences towards plant-based and functional foods. This scenario creates new markets before dormancies are reached for companies such as Lay's, investing in plant-based lines to enhance and extend beyond their traditional portfolios. While other competitors like Pringles have already introduced these products, Lay's can capitalize on this market gap by offering a variety of flavors and a unique positioning.

## 2.5. Focus on Green Practices and Ethical Consumption

In addition to the health benefits of products, consumers also consider sustainability when making their purchasing decisions. There is an increase in the understanding of the environmental implications of food consumption, which includes the use of non-renewable resources, generation of waste, and emission of greenhouse gases during production. One study [2] revealed that 73% of the respondents reported that they would be ready to spend more money on products of the brand known to care about sustainability. This also shows an increasing tendency to purchase ethically sourced and eco-friendly packaged products. Lay's has an opportunity to enhance this slide by leveraging its strategy on SDGs. Other players in the industry, such as Kettle Brand, have successfully competed against other players by advertising their production process to be highly energy efficient and their packaging recyclable.

## 3. Product Innovation

As a global snack industry brand, Lay's has clearly illustrated its strong desire for product development while searching for new changing consumer tastes and market requirements. This orientation towards innovations can be seen in the strategic move to offer healthier alternatives, employing eco-friendly methods and catering to different markets. Lay's has made it clear that it is committed to staying relevant and competitive in the ever-changing business environment, a goal these initiatives support.

### 3.1. Health Conscious Products

Lay's has proactively over the years reformulated its product mix to cater to the ever-changing needs of its consumers who want healthier snacks. One of the most remarkable new products was the "Lay's Simply" range, first launched in 2021. This product range aims to meet the desires of health-oriented consumers with fewer ingredients and no artificial elements. For example, "Lay's Simply Baked" and "Lay's Simply Lightly Salted" varieties have been contained within a range of skinny chips that replicate the flavor of the mother brand but are healthier than traditional fried snacks. This initiative has yielded a 12 percent increase in sales at the end of the first year of launching the range[6]. The success of this initiative has been apparent acceptance and excitement from consumers for the healthy alternatives offered.

In addition, Lay's introduced a variant labeled "Lay's Lightly Salted" chips, which were created with less salt content. The design targets a growing group of health-conscious consumers. A report [2] states that this product type has increased Lay's market share for healthy snacks by 10%. Notably, the strategic pivot towards the brand's nutritious products has proven effective. In general, within the

framework of such strategies, the global market for healthier snacks is expected to expand at a CAGR of 7.5% from 2023- 2028. [8].

### **3.2. Sustainable Packaging Solutions**

Sustainability is another critical area in which Lay's has focused its innovation efforts. Recognizing the growing consumer demand for environmentally responsible practices, Lay's launched the "Green Packaging Initiative" in 2022. Findings from a study [9] discuss how consumer demand for sustainable food consumption influences packaging innovation in the food industry. This initiative involves transitioning to 100% recyclable packaging materials across its product range. The move aligns with broader industry trends toward eco-friendly practices and demonstrates Lay's commitment to reducing its environmental impact. According to a study[1], this initiative has been well-received, leading to a 15% increase in consumer favorability among environmentally conscious buyers. The shift to recyclable packaging enhances Lay's environmental credentials and appeals to a demographic increasingly concerned with sustainability issues.

In addition to recyclable packaging, Lay's has invested in research to develop biodegradable packaging solutions. This forward-thinking approach addresses the growing need for packaging materials that minimize environmental impact and reduce landfill waste. The company's efforts in this area underscore its commitment to sustainability.

### **3.3. New Flavors and Regional Adaptations**

At Lay's brand, product expansion was not confined only to new technologies. They had also commenced trying out new and varying tastes. The Lay's brand offers new flavors that meet the people's tastes within the region. As a case in point, the flavors dubbed "Sichuan Spicy" and "Thai Chili" were explicitly created for the Asian market and were well received. These flavors encourage ionospheric consumers but, at the same time, extend the holdings in the respective regional markets. A market analysis [10] states that the "Sichuan Spicy" flavor alone has accounted for a 20% increase in the market in China, demonstrating that a deep understanding of a target market is effective in launching products that drive sales.

Apart from changes in existing flavors, Lay's most often releases special limited edition releases of new flavors and seasonal variants like "Lay's Summer BBQ," and "Lay's Winter Wonderland." Because of these new products, people develop interest and actively participate, leading to more exposure to the brand and sales. Seasonal and limited-edition lines provide the consumers with novelty and exclusivity to stimulate interest and loyalty towards the products [6].

### **3.4. Incorporating Consumer Feedback**

There is considerable emphasis on including consumer feedback in Lay's product development process. The company actively collects data by conducting surveys, organizing focus groups, studying reports, and going through social media to comprehend the trends and preferences of the consumers. In 2023, consumers' desire for salt-free potato chips was strong enough to warrant the creation and sale of 'Lays Lightly Salted.' By enhancing consumer correspondence, Lay's makes prudence to ensure that the developed products are relevant and geared to suit indigent market challenges [2].

### **3.5. Innovations in Production Processes**

Beyond product formulation and packaging, Lay's has also made advancements in its production processes. The company has adopted new frying technologies that reduce oil usage and improve

product quality. These technological innovations contribute to healthier products and support sustainability by lowering overall energy consumption in manufacturing. A recent report [1] highlights that these advancements have enhanced product consistency and quality while aligning with the company's environmental goals.

### **3.6. Competitive Positioning and Future Directions**

According to the primary strategy of Lay's, product innovation is the key and will stand out among the snack food market players. Lay's remains the leading competing company in the industry by providing relatively updated offerings that are in line with changing consumer health, environment, and physical product variety. This propensity for innovation has enabled the company to successfully roll out healthier products, green packaging, and unique tastes.

However, it is most likely that Lays will keep discovering new development methods to be on top of the market. In the pipeline, the future lies in its direction: the emergence of plant-based snacks and the development of innovative packaging. These innovations could further enhance Lay's competitive position and help the brand address new consumer trends so that the brand always remains dominant in the global snack food segment [8].

## **4. Market Strategies**

Lay's has also modified its marketing approaches to align with a healthier and more eco-friendly market structure. This includes using the internet, working with celebrities, communicating openly with consumers, and promoting green ways of using the product to design the brand's image and attract customers.

### **4.1. Health-Focused Advertising Campaigns**

A study [3] highlights how modern branding strategies, including health-focused campaigns, can reshape consumer perception. Lay's health-oriented advertising campaigns primarily targeted households, focusing on promoting the health benefits of their snacks to appeal to health-conscious consumers. One of the campaigns today draws attention to the natural composition and low calories of several lines, for example, the 'Simply' line or the 'Lightly salted' chips. The goal is to change the perception of Lays from being seen as an unhealthy snack option to being recognized as a more transparent brand offering nutritious, crisp snacks. A recent survey [2] reported that health-focused commercials targeting image-conscious consumers enhanced Lay's brand image by nearly 10%.

For example, social media platforms target clients who can afford these products with no preservative ads. In this instance, social media posts such as "Simply Lay's Challenge," which encourages social media users to upload videos or photos of them eating Lay's products with healthy snacks, garnered more than half a million user-generated content posts and were associated with increased online sales by 15% in the designated period [1].

### **4.2. Collaborations with Celebrities and Social Media Influencers**

Lay's has also teamed up with health and wellness specialists and health celebrities to extend its reach. These partnerships have benefited Lay's by enabling it to target a more extensive market scope, specifically the young population who desire health consciousness while still enjoying their snacks. Utilizing fitness influencers to endorse Lay's baked chips increased social networking metrics by 15%, leading to a 7% sales increase. A nutrition campaign, in partnership with a famous dietitian and promoting Lay's low-sodium products, increased the brand's market share within the healthy snack segment by 5% [6].

Besides, Lay's has also conducted live-streaming sessions with influencers and nutritionists to promote the benefits of their product. This strategy helps gain trust and generate positive content, which aids in drawing the right audience as well as prospective customers. For example, a healthy cooking event featuring Lay's Chips and a well-known chef attracted over a million viewers, significantly enhancing the visibility and reputation of the product through the promotional video.

#### **4.3. Multi-Channel Marketing and Regional Customization**

Lay's follows multi-channel marketing strategies. In addition to traditional media such as TV and print ads, it also uses digital and social media to ensure a consistent brand. Such a multi-channel system of strategies enables Lay's to reach more comprehensive sections of the population. For instance, advertisements on TV are meant to promote the brand, while internet campaigns focus on young and tech-savvy individual customers.

On the other hand, Lay's implements its regional marketing strategies according to various regional characteristics. Take, for example, the Asian continent; Lay's came up with campaigns highlighting culturally accepted flavors, 'Sichuan Spicy' and 'Thai Chili' presented by local stars. This culturalization increased sales volume and enhanced customers perceptions of brand equity in the said markets[1].

#### **4.4. Leveraging Digital Transformation and Data Analytics**

Lay's increasing use of digital technologies is helping to redefine its traditional marketing models. With the help of data analytics and advanced computer capabilities such as artificial intelligence, Lay's will be able to appreciate the intents and actions of consumers. For instance, Lay's incorporates AI-based technology, such as social listening, to develop and refine its products and promotional strategies. This approach has led to the development of more targeted campaign strategies that enhance effectiveness and broaden their reach to attract more followers [10].

Also, Lay's has designed a loyalty program app that provides game playing and quizzes and up-selling benefits like personalized upsell offers. This app has not only enhanced the interaction level of the users with the brand; it also helped Lay's understand consumer preferences and the factors impacting their decisions, which helped further refine the marketing methods adopted by Lay's.

#### **4.5. Marketing and Sustainability**

To address the increased consumer interest in sustainability, Lay's sustainability became more apparent in its marketing communications. Campaigns have brought manufacturers closer to eco-conscious consumers by showcasing practices like recyclable packaging and reducing plastic waste. One particular campaign by Lay, "Green is the New Gold," which focuses on using 100 percent recoverable packaging, increased the favorableness of the brand among 20 % of the environmentally friendly target consumers [2].

#### **4.6. Evaluation And Future Directions**

Lay's has dramatically improved sales performance by implementing a multi-pronged approach that fuses digital marketing, using opinion leaders, geographical considerations, and sustainability in marketing campaigns. The following steps constitute raising digital marketing tools for Lay's brand development and utilizing innovative technologies, particularly AR, for interactive marketing and virtual shopping. By recognizing the need to align shifting consumer trends with analytical strategies, Lay's is well-positioned to succeed in the rapidly evolving snack food industry.



## **5. Challenges and Possible Interventions**

### **5.1. Finding the Right Middle Ground Between Indulgence and Healthiness**

Maintaining healthiness without sacrificing indulgence is one of Lay's significant challenges. These classic chips are sought after because of their flavors and textures, which are usually sacrificed for the healthier options. For this to happen, Lay's has to focus its resources on research and development to find new cooking methods and different ingredients that will keep the traditional flavor but with less fat and sodium content. This may include introducing new tastes and changing the texture to enhance health and taste. Furthermore, it is crucial to engage with consumers to gather their feedback and refine these products further.

### **5.2. Intense Market Competition**

The healthy snack market is highly cut-throat, with several companies trying to clinch customers at any instant. If a company wants to survive among its rivals, it must consider many factors. One of the strategies is to develop product lines based on the specific requirements of the consumers, like gluten-free or low-calorie protein. Sales promotions regarding marketing can also help improve the brand image by engaging consumers with limited-time offers and health and fitness advice influencers' endorsements. Leveraging Lay's strong distribution networks is essential for expanding the market reach of new products through a robust retail presence. Additionally, enhancing quality control measures and highlighting them in promotional campaigns will help position Lay's as a brand that consistently delivers healthy, great-tasting snacks.

### **5.3. Consumer Distrust**

Lay's is facing consumer doubts due to its past association with unhealthy snacks. To correct this, the center should focus on consumer education. Trust has to be fostered by very informative labeling and an acceptable amount of contribution concerning the health advantages of healthier products. People value authenticity, which validates the use of engaging with the audience on social platforms, providing questions and answers, or demonstrating how a product is used through meal preparation. It can be helpful to endorse Lay's products with healthier alternatives alongside professionals, for instance, dietitians, strengthening how trustworthy consumers will see this action.

### **5.4. Supply Chain and Ingredient Sourcing**

Rushed distribution practices can lead to challenges, such as ensuring a consistent supply of high-quality, healthier ingredients to customers. For instance, as Lay's is moving towards health-oriented products, finding sustainable and quality ingredients may be difficult. Improving the proportion of purchasing from reliable suppliers and considering the joint activities with local farmers/producers will ensure the flow. Supply chain investments in technologies that create more transparency and efficiency will assist in cost management and availability of products.

### **5.5. Consumer Perception of Innovation**

There will be resistance to introducing healthy products to the market since the consumers may be concerned about their effectiveness. In this regard, Lay's should promote the health benefits of the new products and show consumers proof of their efficacy through independent tests and certifications. Interaction with consumers and engagement in active communication aimed at their problems can demonstrate the success of the company's innovation strategy.

## 6. Conclusion

To conclude, Lay's response to Lay's increasing demand for healthier products shows its competence to change with the consumers' needs without losing the brand's original appeal. This has allowed Lay's to transform quite a health-conscious brand while remaining loyal to the core objective of product development and marketing. However, any brand that aims for greatness must find a balance between indulgence and wellness, navigate strong market competition, and overcome consumer skepticism. In addressing these challenges, Lay's has successfully adapted its strategies to align with modern consumer trends and expectations. To take advantage of the health wave and a stake in the snack industry, Lay's must continue and further develop its operational model, broaden the range of products, and deepen interaction with clients. With increasing numbers of people desiring healthier snacks beyond the home or work environment, Lay's commitment to delivering on its promise will be crucial in remaining relevant in an evolving health-oriented market. Sustainability, geographical enlargement, and digital transformation will be the pillars of Lay's growth in the changing market. Limitations of this study include a focus primarily on secondary sources and the lack of direct consumer interviews. Future research could explore consumer perceptions of Lay's newer product lines through surveys or focus groups to validate the findings.

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