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Millennial influence on global companies in the junk food industry in the United States and Spain

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Abstract

The millennial generation is taking up a great part of the world population, which as a result, has an impact on consumption. In addition, during the past years corporations belonging to the junk food industry have suffered losses while their substitutes are booming. This essay aims to decipher the strategies these big companies have carried out during the past few years as a response to new health values as well as determining the future of the junk food. The study has been done with strong brands in the industry in the United States, renowned for unhealthy eating, and Spain, which follows a widely-promoted Mediterranean diet. Through sale and volume analysis of firms in the chocolate, soft drink and cereal sectors, millennial consumers in Spain will stay loyal to cereal while Americans will choose chocolate.

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1. Introduction

Junk food has had an extraordinary evolution in recent years resulting in unhealthy eating habits in many countries, especially in the United States. On the other hand, millennials are constituting the vast majority of consumers, meaning their preferences have a bigger impact on the market nowadays. Millennials have been accused of destroying various industries, but is junk food one of them?

The objective of this paper is to observe the consumption in recent years of junk foods such as soda, sugary cereals and chocolate. Given the new consumption trends promoted by millennials, the response of big corporations will also be studied in both United States and Spain. As aforementioned, United States is known for consuming large quantities of junk food, but the appearance of millennials as the core of the population could have changed the eating habits of Americans. Spain is very well known for promoting its Mediterranean diet, but it could have been jeopardized given the globalization taken place in the recent years. American brands are big players in the Spanish market, so it is undeniable that there is a certain influence, but it is hard to tell if Spaniards are still sticking to the Mediterranean diet or if they have fully incorporated junk food into their diet. Through the analysis of the strategies implemented by global brands in the United States and in Spain, diets in both countries will be determined and whether junk food is a frequent contributor.

2. Millennials

2.1. Definition of millennial

To understand the differences in consumption, it is important to define what a millennial is. There are various opinions on the age range of millennials mixing in the previous generation, Generation X, and the following one, Generation Z.

The term 'millennial' first appeared in 1992, used by Strauss and Howe to describe a generation born between 1982 and the end of the millennium, the year 2000, hence the name. Berger (2016) opts for a shorter timeframe, stating millennials were born between the years 1981 and 1994. Alternatively, Greenberg and Weber (2008) choose a wider interval, considering their birthyears to be between 1978 and 2000. There are many other interpretations that include the exact years the millennial generation comprehends, but it can be accepted that the age range is roughly 20 years. Madden (2017) characterizes millennials as the first generation to be digital, being introduced to the Internet at a relatively young age. They observed the transition from traditional to digital platforms and had to go through the effects of the crisis, making them more dependent on their parents (Madden, 2017).

Millennials are not to be confused with their successors, Generation Z. Although, once again, authors argue different time periods, they are approximately born between the late 1990s and early 2000s. Madden (2017), for example, situates them between 1994 and 2009, stating that they have had access to the Internet during their childhood through Wi-Fi and social media.

This makes them depend more on technology in almost every aspect of their life whether it is for academic or leisurely reasons (Madden, 2017).

2.2. General characteristics of millennials

Studies have been able to pinpoint millennial characteristics in general, while some are more specific than others. In this part, only general traits will be mentioned, given that in the next part millennials as consumers will be detailed.

Howe and Strauss (2009) identified seven behaviors millennials identify themselves with:

- 1) They are not a lost generation. Most of them have gone to college or university, surpassing the previous generation in number of students and view having children in a positive way.
- 2) They consider themselves optimists, acknowledging the harder times their family had to go through.
- 3) They are considerate, value teamwork and believe that together they can make a change.
- 4) They respect authority whether it is their parents, their teachers or the government. Because of this, they follow any rule or law.
- 5) They have been looked after by many people in their environment, not only their parents, which made them tend to their responsibilities and reduce their free time over the years.
- 6) They are hopeful for the future, putting their trust in the new technologies and the younger people in their generation.

Through their own study, Rainer and Rainer (2011) also identified qualities millennials possess:

- Millennials are hopeful and optimistic, although they are realistic in the sense that they are aware of the hardships nowadays.
- Maintaining strong relationships with friends and family is important to millennials and given the technology they can count on, it makes it easier to keep in touch.
- Not only do millennials value the importance of learning and going to college, but they are also smart, making them the most educated generation.
- A great part of millennials is not religious, their spirituality not being of utmost importance to them.

The authors coincide with Howe and Strauss in their core values, which helps give a global idea on millennial characteristics, which will determine their behavior.

2.3. Millennials as consumers

Through their main characteristics and analyzing their purchases, millennial consumer behavior has been able to be identified. Deloitte (2018) identified their general consumer needs which include an increasing concern for health and well-being, convenience, brand value and personalization. Furthermore, the study determined that engagement through social media, the company's core values and customized marketing are key in achieving brand loyalty from millennials (Deloitte, 2018). Going more in depth, millennials take into account certain elements when they consume food including sustainability, healthiness, visual appearance, freshness and corporate transparency (Hanna, 2014).

The fact that both American and Spanish consumption will be analyzed makes it necessary to distinguish any differences that can exist between millennials of both countries.

As for American millennials, the main focus on making food decisions depends on their need to socialize through Internet. This explains the importance of online opinions, which the whole community agrees or disagrees on and eventually affects consumption as well as experimenting new foods to share their experience online (Saulo, 2016). It should be pointed out that today's millennials are around their early twenties, with a growing worry for their health, which is the reason why they turn to more authentic food sources (Fromm & Vidler, 2015). Nonetheless, they still maintain an active lifestyle, making them incorporate more snacks into their diet not only throughout the day but also substituting them for meals (NPD Group as cited in Saulo, 2016). When grocery shopping, millennials in the United States are drawn to fresh and organic produce but are still loyal to certain brands, noticing the differences in quality (Barton, Koslow, Fromm, & Egan, 2012). To conclude, all these factors point to American millennials using food to show their creativity through platforms as another part of their personality (Pogue as cited in Williams, 2016).

Regarding Spanish millennials, it is hard to indicate certain behaviors because 61% of them still live with their parents and 67% do not help with the household expenses (CBRE, 2016). This could mean that those who actually buy groceries are their parents, possibly Generation X. Spain appears to follow the Mediterranean diet with plenty of fish, fruits, vegetables, cereals and olive oil, but American brands have threatened those traditional values (Baldini, Pasqui, Bordoni, & Maranesi, 2008). Not only do Spaniards consume Mediterranean products, they also produce them, which potentially harms the economy with the westernization of their diet (Bach-Faig et al., 2010). The substitution of fruits and vegetables for sugary and animal-derived products was done by younger generations (Bach-Faig et al., 2010), the first to shift their diets (Baldini et al., 2008). Bibiloni, Martínez, Lull, Pons and Tur (2011) observed that regardless of the promotion of the Mediterranean diet worldwide, teenagers still prefer the Western diet over the Mediterranean. The reasons could be convenience and more westernized cooking and food patterns (Bach-Faig et al., 2010).

3. Millennial impact on brands

Last year, CNN reported the big brands like General Mills, Pepsi and Hershey were suffering big drops in sales due to changes in market share made up of small companies (Meyersohn, 2018). As a consequence, the corporations started buying competitors to widen their portfolios (Meyersohn, 2018). Although there are other ways to do it, gaining, or regaining in this case, market share is an offensive strategy and is mainly based on launching new products (Schnaars, 1998). New products can be obtained through patent, license or company acquisitions or product development through the Research and Development department (Kotler, Armstrong, Harris, & Piercy, 2013), although it could also be a brand revival (Panda, 2009). The firms in the food industry must be up to date with consumers because their preferences in consumption change quickly with new trends and nutritional findings (Costa & Jongen, 2006).

The reason for the loss in market share could be because millennials are opting for healthier options rather than the traditional junk food companies. As mentioned previously, another reason could be because millennials also seek corporate transparency and responsibility, which smaller companies usually promote. To study the impact this has had in the industry, corporate decisions will be analyzed to define the strategies being carried out in the United States, home of the companies, and Spain, influenced by Western nutrition, in soft drinks, cereal and chocolate production.

3.1. Impact in the United States

3.1.1. Soft drinks

Soda producers such as Coca-Cola and Pepsi are having the biggest decline yet, which has had a stable decline from 20 years back (Sanger-Katz, 2015). Implementing a sugar tax in the recent years have made consumers more aware of how harmful consuming added sugars can be for their health (Reuters, 2017). Americans admit avoiding sugary drinks opting for bottled water instead, which is bound to lead the beverage sector (Sanger-Katz, 2015). A study done by the International Bottled Water Association found an extraordinary growth of sparkling water around 20 to 30% growth each year while non-sparkling and imported water barely reached 10% (Rodwan, 2018). The forecast predicted a rapid growth for bottled water, leaving carbonated sodas and juices behind (Rodwan, 2018). The decline in sodas was a great opportunity for La Croix, a flavored sparkling water brand without sugar (Nelson & Zarracina, 2016). With La Croix booming, the soda giants appear unable to attract young consumers (Solomon, 2016). Coca-Cola and Pepsi's actions in the past years have been aimed at younger consumers, millennials.

3.1.1.1. Coca-Cola

In 2017, Coca-Cola's North American division reported the acquisition of Topo Chico, a Mexican sparkling water with a wide variety of flavors (Moye, 2017). This could seem like an attempt to compete with La Croix by introducing a new brand name without explicitly showing the Coca-Cola brand behind it.

The following year, Simply, Coca-Cola's juice brand, achieved half the calories and sugars its previous versions had as well as using only natural ingredients (Moye, 2018). This year, the brand launched a smoothie line made with 100% real fruit and no added preservatives, colors, flavors or sweeteners (Moye, 2019a).

More recently, the brand decided to target millennials through Diet Coke introducing new flavors focusing on their zero-calorie drink and its packaging to appeal the new generation (Moye & Nemer, 2018). This year, given the success the modernization of the brand supposed, two additional flavors have been added (Moye, 2019b).

Coca-Cola has shown an interest in targeting younger consumers but has not given up their traditional marketing to maintain their current customers.

3.1.1.2. Pepsi

Pepsi has also shown interest for younger consumers during the last year, launching two different products to interest them.

Firstly, it launched Bubly, a flavored and unsweetened carbonated water with no artificial flavors or calories (Gajanan, 2018). Like Coca-Cola, Pepsi has also opted to try to stand up to La Croix's impact on the market.

Drinkfinity is Pepsi's most innovative project to focus on millennials. This product includes a bottle and pods, making the consumers just add water (Del Valle, 2018). It is a healthy option that does not contain artificial flavors or sweeteners, along with the reduction of plastic use with its refillable container (Drinkfinity, 2018). The flavors and ingredients are set according to different modes, which personalizes the product (Drinkfinity, 2018). It can only be bought online (Drinkfinity, 2018), which makes it more accessible and modern to millennials. The new concept for hydration through sustainability and healthiness is a great attempt that takes into account millennial values.

3.1.2. Sugary cereals

Cereal is not a popular breakfast food anymore because millennials search for healthier options instead, considering it excessively processed and low in nutrients (Mintel as cited by Peltz, 2016). Another important factor is how time-consuming eating a bowl of cereal implies, as millennials have an active lifestyle and search for quicker options (Peltz, 2016). Nonetheless, the United States Department of Agriculture reported an increase, although sluggish, of fiber in breakfast cereals, one of the country's goals to focus on nutrition (Martinez & Levin, 2017). Despite efforts in modifying the original products, ready-to-eat

cereal sales have declined in the United States (Grocery Headquarters, 2017), which implied refocusing the brands.

3.1.2.1. General Mills

General Mills's advantage over its competitors is that its Honey Nut Cheerios is the most sold cereal brand in the United States (Curley, 2018) as well as having on the go versions of their traditional cereals (Peltz, 2016). However, it still has made an effort to appeal Generation Y.

In late 2014, General Mills announced it was acquiring Annie's, an organic and natural foods company focused on meals and snacks (General Mills, 2014). Their purpose was to expand their portfolio to those who share the same values as Annie's (General Mills, 2014). Focusing on the convenient foods Annie's produces, their reach to millennials is facilitated.

In 2016, a new cereal brand made with real fruit was launched that did not include any artificial flavors, sweeteners or fructose corn syrup (Olmsted, 2016). The brand, Tiny Toast, was later added to the Toast Crunch portfolio, as it did not create enough attention as anticipated (Wohl, 2017). This could be because the new brand did not promote any health benefits, only adding real fruit flavor, but still composed with considerable amounts of sugar.

Last year, General Mills integrated protein bars low in sugar and vegetarian-friendly to its brand EPIC (Harroun, 2018). The ingredients are few and labeled to be found easily (Voge, 2018), a positive point for millennials searching transparency and convenience.

This year, General Mills' Fiber One brand released a cereal with natural flavors and rich in fiber, following the guidance the government gives in the percentage of fiber intake Americans should have (General Mills, 2019).

General Mills has not only improved their cereal brands, they also acquired Annie's, which is bound to help promote a healthier image of the company.

3.1.2.2. Post Holdings

Post Holdings has been adamant in maintaining its traditional sugary cereals, making little progress in updating the ingredient composition to healthier choices.

In 2013, Post acquired two companies: a producer of cereal and granola that was integrated with their brand and Premier Nutrition, a high-protein shake and bar producer (Post Holdings, n.d.). Once again, opting for healthier snacks due to the lack of cereal consumption is adequate to stimulate sales.

Since then, Post has opted for bringing back some cereal flavors that had been discontinued in the early 2000s such as Oreo O's (Post Consumer Brands, 2017) as well as new flavors inspired on other products in their portfolio like Sour Patch Kids (Post Consumer Brands, 2018). This could potentially

attract millennials through nostalgia as well as the curiosity of trying the new flavors and posting them online. Nevertheless, the disregard of health issues could potentially harm their sales.

3.1.2.3. Kellogg Company

Kellogg's has made big efforts to reach out to all of its consumers.

In 2015, two different cereals debuted: Special K Nourish, a visibly healthier version of Special K and Mini-Wheats Harvest Delights made up of whole grain red wheat and generous amounts of protein (Kellogg Company, 2015). Acknowledging the fact that consumers are more into quick and easy-to-eat products for breakfast, Kellogg's launched Kellogg's To Go, a breakfast mix that includes protein, fiber and whole grain as well as expanding their grab-n-go cups of their original cereal flavors (Kellogg Company, 2015). Finally, Kellogg's was also able to tackle the nostalgic millennials by reviving their Smorz cereal (Kellogg Company, 2015). Through all these actions, Kellogg's was attracting consumers who demanded healthier cereals or quicker ways to have breakfast.

During 2017 Kellogg's focused more on the Special K line by launching snack versions of the cereal for eating throughout the day and still being made with nutritious ingredients (Kellogg Company, 2017a). Special K Probiotics was also launched with beneficial bacteria that boosts health, vitamins and iron (Kellogg Company, 2017b). These were also positive actions in favor of promoting a healthy lifestyle that millennials crave.

Last year, the HI! Happy Inside brand was introduced, a cereal that promotes digestive wellness through probiotics, prebiotics and fiber (Kellogg Company, 2018b) and achieving double-digit quantities of protein in their Special K assortment (Kellogg Company, 2018c).

The actions in the past years show the commitment Kellogg's has in achieving healthier formulas for their products. Kellogg's pushed boundaries by announcing their goal of having 100% sustainable packaging by 2025 (Kellogg Company, 2018a). This demonstrated not only their awareness of what millennials want to eat but their core values, one of them being sustainability.

3.1.3. Chocolate

Today, consumers are avoiding sugar at all costs and consequently, chocolate. The concern for sugar intake is slowly shifting chocolate brands into snack brands (Bergman as cited in Skinner, 2018). Not only are brands widening their portfolio, they are changing the way they are producing chocolate leaning more towards organic ingredients and environmentally-friendly actions (Skinner, 2018). Hershey has been one of the first companies to transition, being ranked second in the snack industry after PepsiCo (Hirsch, 2018).

3.1.3.1. Mars

In 2016, Mars committed to removing all artificial colors from their gum, food and drink brands upon demand for natural ingredients in their products (Mars, 2016). The process was predicted to last up to five years and it would be done worldwide (Mars, 2016).

The following year, Mars and KIND stated their partnership worldwide, the former famous for producing healthy snacks (KIND, 2017). Mars also showed concern for transparency and responsibility by committing to a number of actions in their chocolate and gum divisions in production and marketing (Mars, 2017). By the end of 2017, 99% of products were claimed to be under 250 calories, following their goal to reduce sugars (Mars, n.d.).

In 2018, they announced a strategy to produce sustainable cocoa in a responsible way, fighting for higher wages for farmers and against child labor and deforestation (Mars, 2018a).

While Mars has not transformed into a snack company, it has shown awareness for health and corporate responsibility. The company defends that nearly half of millennials treat themselves to chocolate to feel better and that more than half use the purchase to share it online (Mars, 2018b), which explains why Mars still opts for producing treats.

3.1.3.2. Ferrero

Familiar chocolate brands like Crunch or Butterfinger which were once associated to Nestlé are now a part of Ferrara Candy Company, branch of Ferrero, after the American confectionary acquisition took place last year (Nestlé, 2018c).

Since then, Ferrara declared that it would be reinventing the candies acquired by removing artificial flavors and preservatives (Fantozzi, 2018). The improved version of Butterfinger was in the market by February this year, with higher percentages in cocoa and milk as well as using larger peanuts, apart from fulfilling the previous promises (Taylor, 2019). The new recipe aims to attract new consumers given the values of its new owner (Mandel as cited in Taylor, 2019). The choice of choosing more natural ingredients is positive for millennials but compared to its competitors who also have done the same, sustainability is a question still unresolved.

3.1.3.3. Hershey

Hershey has selected the acquisition route rather than launching new products through Research and Development.

In 2011, Hershey acquired Brookside Foods, a chocolate confectionary company that creates better-for-you snacks (Hershey, 2011). Later in 2015, it

was KRAVE Pure Foods that was acquired by the chocolate giant, this time opting for salty snacks: all-natural beef jerky (Hershey, 2015). In 2017, Hershey announced the acquisition of Amplify Snack Brands, parent company of Tyrell's chips and Skinny Pop popcorn, saying "Amplify's brands compete in many attractive food categories that are capitalizing on fast-growing trends in snacking with a focus on better-for-you products that deliver clean, simple and transparent ingredients as well as unique flavors and forms" (Hershey, 2017a). In 2018, the corporation also acquired Pirate Brands, a healthier snack option with no artificial flavors, colors or preservatives (Hershey, 2018b).

Another way to gain new products in the Hershey portfolio was to launch a new brand, SoFit, to promote healthier snacking with high fruit and protein levels (Taylor, 2016). Furthermore, the Hershey Company committed to a five-year plan to make at least 50% of their products 200 calories or less (Hershey, 2017b). Like some of its competitors, Hershey also agreed to a sustainable cocoa strategy focused on family nutrition, child labor, higher incomes and deforestation (Hershey, 2018a).

Hershey has gone for a safer strategy, acquiring well-known brands to appeal consumers rather than creating more products. Again, corporate responsibility is important to stand out from competitors and make consumers feel a positive outcome from their purchase.

3.1.3.4. Mondelez

Although it has more presence in Europe, Mondelez entered the U.S. chocolate market through two of its brands, Oreo and Green & Black's (Mondelez International, 2016). With an Oreo-flavored Milka chocolate, Mondelez entered the mainstream segment and with Green & Black's, the premium segment with sustainable cocoa and without artificial flavors, colors and preservatives (Mondelez International, 2016). As of today, and although Mondelez has not detailed the evolution of the brands in the market, the websites for both Oreo (Oreo, n.d.) and Green & Black's (Green & Black's, n.d.) are still running, which signifies the chocolates are still present in the American market.

3.2. Impact in Spain

Knowing Spanish millennials are slightly limited in their consumption, the strategies global brands have carried out or the lack thereof, will determine the corporate view on millennials in the market.

3.2.1. Soft drinks

As of 2017, Coca-Cola was the leader of the Spanish soft drink market with great difference, while PepsiCo was in fourth place (Alimarket, 2018). Nonetheless, the consumption of soft drinks by Spaniards has been in decline

since 2013 (Ministry of Agriculture, Food and Environment, 2018). While the classic flavors of Coca-Cola (Kantar Media, 2018e) and Pepsi (Kantar Media, 2018i) have also been in decline, Coke Zero (Kantar Media, 2018e) and Pepsi Max (Kantar Media, 2018i) have grown since then. The market leaders have not done as much the American branches, but even so Pepsi and Coca-Cola have launched new brands in Spain during the past year.

Pepsi introduced Naked smoothies in the Spanish market, rich in fruits, vegetables, minerals and vitamins as well as not containing sugar, artificial preservatives or colors (PepsiCo Iberia, 2018a). Through Tropicana, Pepsi offered a new range of vegetable and fruit juices free from artificial preservatives, colors or added sugars (PepsiCo Iberia, 2018b). Like the smoothies, the new juices have been enriched with minerals and vitamins to boost consumers' immune systems (PepsiCo Iberia, 2018b).

Coca-Cola launched two new brands, Honest and AdeS, swaying from the soft drink sector (Coca-Cola España, 2018). Honest is an ecological ready-to-drink coffee and tea brand, which was presented in response to healthier and products with higher quality that have been demanded by consumers (Coca-Cola España, 2018). Coca-Cola's goal is for Honest to become the most known ecological drink but at an affordable price (Coca-Cola España, 2018). AdeS is a 100% plant-based beverage free of lactose and sugar formatted to be nutritious and adequate for the whole family (Coca-Cola España, 2018).

Neither have opted for modifying their current products which seem to still have great impact. Through diversification they have been able to be present in the beverage sector in different occasions for the consumers.

3.2.2. Sugary cereals

In Spain, cereal sales have weakened due to the low protein they contain and how unpractical they are viewed by consumers (Pozzi, 2016). In 2017, Kellogg's, Mercadona's Hacendado and Nestlé were the top three breakfast cereal brands that practically dominated the market (Kantar Media, 2018b). Additionally, Kellogg's top-sellers were Corn Flakes and in third place Special K (Kantar Media, 2018c), while Nestlé's Fitness line only reached second place (Kantar Media, 2018d). Even so, the companies have taken it upon themselves to deliver more wholesome options.

In 2014, Nestlé launched its first version of gluten-free cereals for celiacs to enjoy (Nestlé, n.d.-a). Since 2015 the majority of their lines were made with wholegrain cereal (Nestlé, n.d.-c), but more recently, they have achieved it to be the number one ingredient in all their lines and free of artificial aromas or colors (Nestlé, n.d.-b). In 2017, multigrain granola versions were launched of two of their cereal brands with whole wheat and whole oats (Nestlé, 2017). To broaden their portfolio, Nestlé launched a new ecological soluble cereal mix to be used as coffee that aims to be natural, healthy and green (Nestlé, 2018a).

Kellogg's has also kept up with new consumer trends, updating Special K with Nutri K, increasing minerals, vitamins and fiber in the line without compromising the taste (Kellogg España, 2015). During the past year, the brand

has also modified the sugar content and enriched ingredients on Choco Krispies, a cereal popular among kids (Kellogg España, 2018a) as well as launching a new brand W.K. Kellogg (Kellogg España, 2018b). W.K. Kellogg is made up of three different products: Super Food granola, nutritious and not processed; granola free of sugar and artificial sweeteners and Bio cereals, made with organic whole wheat (Kellogg España, 2018b).

Both brands have been able to tackle the challenge millennials suppose as consumers, making healthier and ready-to-go options.

3.2.3. Chocolate

Aside from any retailer brand, Nestlé, the Spanish brand Valor and Mondelez, through Milka, are the top chocolate sellers in Spain (Kantar Media, 2018a). With great difference, Kit-Kat is Nestlé's most consumed brand and has been able to maintain its position throughout the years (Kantar Media, 2018h). As for Mars, its brands have been in decline for the past years, except Twix, almost reaching the most used Mars Bar (Kantar Media, 2018f). Mondelez's Milka has been a clear leader of the company although consumers do not consume it as much as before (Kantar Media, 2018g). Valor has been able to grow during the past years (Kantar Media, 2018j) achieving second place in most used brands after Nestlé (Kantar Media, 2018a). The corporate response to millennial consumers in Spain is very varied, which is why the focus will be on Nestlé, Ferrero and Mondelez as well as Valor.

Nestlé impulsed the changes by announcing in 2016 that the Kit Kat brand would be made with 100% sustainable cocoa (Nestlé, 2016a), which was then extended to all of its chocolate production in Spain (Nestlé, 2016b). Moreover, two more flavors were added to the sugar-free chocolate line (Chocolates Nestlé, 2018) along with the launch of Kit Kat Bites, a resealable bag to share, suitable for people on the go (Nestlé, 2018b).

Mondelez has focused more on the origin of the cocoa they use to produce chocolate. In 2017 to de-seasonalize the brand Suchard, famous for its nougat in Christmastime, new chocolate bars were introduced following Cocoa Life, Mondelez's sustainable cocoa program (Mondelez International, 2017). Later in 2018, Milka's European branch announced that it would also take part in Cocoa Life (Mondelez International, 2018a). That same year, Mondelez was awarded 92 out of 100 points in the Dow Jones Sustainability Index (DJSI) for their responsibility in the sustainability of water, health and nutrition (Mondelez International, 2018b). The firm has now extended their sustainability campaign to other brands they produce like the cookie sector (Mondelez International, 2018b).

Although Ferrero Ibérica will not change its recipes to follow certain trends in consumption like reducing sugar or eliminating palm oil, they do worry about sustainability (Cáceres, 2018). They have already achieved 75% of their goals for 2020 that include using raw materials that are sustainable and traceable, reducing carbon dioxide and greenhouse effect emissions (Cáceres, 2018).

As aforementioned, Valor has been able to reach second most consumed chocolate bar in Spain (Kantar Media, 2018a). The Spanish brand could be thriving due to its unique assortment of products, which pleases all millennial demands. First and foremost, all chocolate bars are gluten-free which are made with high percentages in cocoa (Valor, n.d.). The company has also made sugar-free products as well as lactose free chocolate bars (Valor, n.d.).

The global brands have paid more attention to sustainability rather than the ingredients of its products, which could be the reason why Spanish-based Valor is gaining weight in the chocolate market in Spain.

4. Conclusion

Millennials are changing the world as they are becoming a major part of the population. The importance they give to health, sustainability and appearance are key factors in determining their consumption. Snacking has become a habit due to busyness, where the majority take between meals or even substitute them for a proper meal (Welch's, 2017). These could be the reasons that point to big declines in the soda, cereal and chocolate industries among others.

There is a distinction between consumption in the United States and Spain because millennials have different living conditions and nutritional guidelines. Spain is traditionally known for its Mediterranean diet, with plenty of health benefits, although throughout the years the American influence has shifted it towards a mix of the two. The United States, on the other hand, has been viewed as the place where junk food is eaten in large quantities. The emergence of millennials and in general, a concern for health regarding nutrition, has inclined big brands to alter their products to fit these new lifestyles.

The development of new products corporations have done as a result of the change in consumers' nutrition habits are varied. First and foremost, firms had to choose between acquisition or taking the organic growth route through their own Research and Development departments (Ghosh Ray, 2010). The reason for the great number of acquisitions could be to gain market share therefore reducing competition, as mentioned earlier, as well as the low risk and immediate results buying out generates (Ghosh Ray, 2010). If companies decide to create new products internally, their level of innovation will depend on their technology, which can lead to imitative new products if not in supreme shape (Trott, 2005). Brody and Lord (1999) distinguish exact copies of existing competitor products, where it is more beneficial to add a distinctive ingredient to make it stand out, from a line expansion where, in the case of beverages, is a need to achieve more shelf space. Imitative new products need to focus on the way they are marketed, especially in the introduction phase (Jyoti, 2010). Other companies have opted for the re-introduction of their previously discontinued products through nostalgia marketing. With the emotions caused through marketing elements, consumers recognize the revived product which motivates them to buy it (Cui, 2015). As Noel (2009) points out, nostalgia marketing is an inexpensive way to add to the product portfolio given that there is no need to establish a brand image because it already exists.

The strategic decisions carried out by global companies in each country are different. This could be because of differences in nutrition or simply because the sales are bigger in the United States than in any other country. The impact

on the United States has been more drastic than in Spain, where millennials are more limited in consumption given their difficulties to be independent and not rely on their parents' incomes. Another reason could be because Spaniards still have traces of the Mediterranean diet in their food intake, they could already be aware of the disadvantages consuming junk food implies, like the soft drink sector which has opted for widening their portfolio rather than offering substitutes. Alternatively, in Spain brands are more endangered by retailer brands than in the U.S., which should mean that there should be more actions carried out to be able to compete with them, unless they have assumed that they will not be able to steal their consumers.

The future of junk food is diverse, depending on the product and the country. In the United States, chocolate confectionery is the only food from this study to have a positive forecast with an increase in volume (Statista, 2019d). Breakfast cereal volumes are meant to decline, although at a small rate, throughout the next four years (Statista, 2019b), but the soft drink industry will come off worse with a volume decreasing even further than the recent years (Statista, 2019f). For the Spanish market, the most positive outcome will be for breakfast cereals, with a volume growth around 1% each year (Statista, 2019a). Soft drinks will stay around the same volumes, its variation about 0.5% a year (Statista, 2019e), while chocolate is meant to stay stable at a volume of around 110 million kilograms a year (Statista, 2019c).

These forecasts can seem quite contradicting, especially in the chocolate confectionery, where in the United States chocolate brands are transforming into snack brands with a wider array of products and in Spain new versions of chocolate are being launched. The breakfast cereal industry is coherent given that millennials prefer on-the-go versions and snack varieties, while in Spain there could be a possibility that the changes introduced have a positive effect on the consumers. The figures given for soft drinks are acceptable because while in America there have been a lot of substitutes introduced, consumers can easily switch, while in Spain no alternative options have been offered.

It is hard to determine whether millennials have changed the junk food industries for bad or for good, given that the three product types studied, soft drinks, chocolate and cereal, do not determine the overall situation. The excessive use of social media to portray their lifestyle, including their food choices, could make companies want to focus on the appearance of their products rather than its contents. But other millennials demand more wholesome products, which means ingredients should be easily identified and contain high quantities of proteins, fiber and vitamins. Appearance and healthiness could be a trade-off for producers, but achieving both is yet to be accomplished. While some industries like chocolate confectionery seem to stay stable and are predicted to stay the same in the future, soft drinks and cereal are going through tougher circumstances. Only time will tell if chocolate remains successful, if soft drinks are benched by healthier carbonated drinks and if cereals are turned into snacks.

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