

New Product Trends

Ethnic cuisine in mainstream formats

Consumers are expanding their diets with diverse flavors

Even though consumers have reduced their spending at food service establishments during the past few years it does not mean consumer interest in ethnic cuisines has waned. Shoppers have simply shifted their focus for unique products to the supermarket and other retail outlets.

Mike Ryan, vice-president of marketing with Deep Foods, Union, N.J., a manufacturer of Indian Foods that has been in business since 1977, said there has been an increased demand for Indian cuisine in the United States as there has been a growing interest in vegetarian, vegan and gluten-free products as well as an interest in new spices. This has played well for the company's Tandoor Chef line of frozen foods. Mr. Ryan said there are many high school and college age consumers who have a significant interest in vegetarian and vegan products. Despite the interest in meat-free dishes, he said the overall biggest attraction to Indian cuisine is the interest in new spices.

Mr. Ryan said Deep Foods produces and markets its products as restaurant-quality because the benchmark consumers have for Indian food is what they experience in Indian restaurants. The company's most popular products include Chicken Tikka Masala, and a product currently driving interest is the Channa Masala Pocket sandwich. The company also recently introduced The Original Naan Pizza, and

said the new product meets the growing demand for ethnic-inspired pizza flavorings. The pizza is available in cilantro pesto, Margherita, roasted eggplant, and spinach and Paneer cheese flavors.

Amy's Kitchen and Ethnic Gourmet from the Hain Celestial Group are the two top brands with the most market share in the Indian Foods market.

Hispanic snack market grows

The Hispanic population is the fastest growing ethnic group in the United States, and is a group that offers great potential, said Mark Singleton, vice-president of sales and marketing at Rudolph Foods, Lima, Ohio. Beginning with its oldest brand called Pepe's, Rudolph Foods has more than 50 years of experience in marketing snack products to the Hispanic population with its primary focus being on pork products and pork rinds.

Chicharrones, also known as pork rinds, are a big part of Hispanic snacking tradition, and Mr. Singleton said historically everywhere Spain settled in the world, a large number of pigs were brought over in the process. In addition to regular pork rinds, cracklins, which are fried pieces of pork with the fat attached, are also a popular snack.

Mr. Singleton said Hispanic consumers recently told Rudolph Foods that not all products need to be hot and spicy; that they prefer more flavor than spice in some products.

As a result, Rudolph Foods has launched various products with hot sauce packets in the bag so consumers may add the amount of sauce they desire. In addition, the company found during visits to Mexico that many factories and workplaces there actually have chicharrones booths outside and offer sauce on the side.

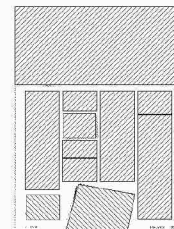
Mr. Singleton said chicharrones are the 10th or 11th most consumed item in a typical Hispanic consumer's home. Overall, Mr. Singleton said the company desires its products to be used as food ingredients and not just a snack.

In terms of future product development, Mr. Singleton said the company always is looking for new ideas when they visit Mexico, and he said there may be an opportunity for developing some corn-based products they have seen there. He also said Caribbean foods and flavors are another area where the company may expand.

Even convenience stores are offering ethnic foods as 7-Eleven has developed a private label line that will appeal to Hispanic shoppers. The items are sold in stores in Mexico as well as other locations in the United States with a high number of Hispanic shoppers.

Bite-size adventure

Symrise, Teterboro, N.J., has developed a series in ethnic flavors called "Spice Exploration," which includes flavors such as Piri Piri Citrus, Harissa, Asian Style BBQ, Moroccan BBQ and



Tagine Citrus. The flavors were developed for topical snack applications, but the company also has versions of these ethnic profiles that are applicable for proteins, sauces, grains, soups and salad dressings.

Emmanuel Laroche, vice-president of marketing services and sensory consumer science for Symrise, said ethnic and spicy flavors are important to consumers in deciding what appetizer to order at a restaurant. Heavy appetizer consumers show significantly more interest in ethnic-style appetizers and flavors, he said.

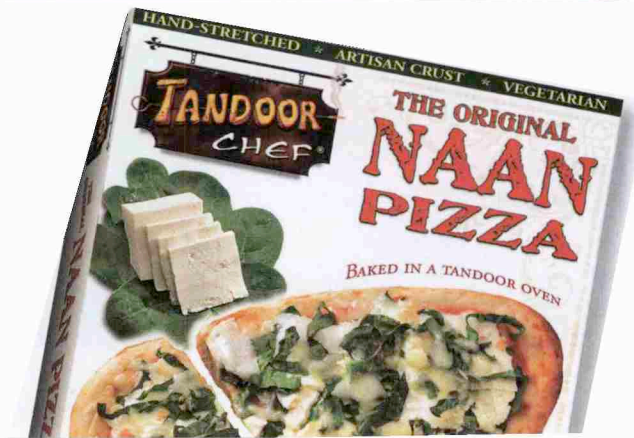
“Exploring edgier cuisines on appetizer menus gives operators the chance to test drive flavors and ingredients before debuting similar items on a broader menu,” Mr. Laroche said. “Even the most uninitiated consumer with the least adventurous palate may be tempted to try flavors of an ethnic cuisine if served in a bite-sized presentation.”

He also said he has noticed Middle Eastern foods featuring hummus are emerging in popularity.

According to an ethnic foods report from Mintel International, Chicago, ethnic food sales increased 19% from 2004-09, reaching \$2.2 billion in 2009. Mintel said the increasingly diverse population, a renewed interest in cooking and an increase in convenience-focused products have contributed to the growth in sales. Mintel also is predicting ethnic food sales will increase 19% from 2010-14. Mexican and Hispanic foods are the largest segment of the ethnic foods market and represent 62% of sales. Mintel said the Hispanic market in the United States is mature, but sales still surged in 2009. Asian foods represent 28% of the ethnic foods market with Indian food being the fastest-growing segment of the ethnic foods market. Other ethnic foods of interest to consumers include Middle Eastern, Caribbean, Cajun/Creole, Hawaiian and Eastern European foods, but these segments combined

still represent slow growth in the segment.

Ethnic cooking ingredients, including sauces and seasonings, are present in almost 7 out of 10 U.S. households with consumers aged 25 to 34 being most likely to use ethnic sauces, condiments and seasonings, Mintel said. **FBM**



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