

Keeping pace

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As the American melting pot continues to diversify, the baking industry must stay one step ahead of the curve. And when Hispanics became the United States' largest ethnic group in 2002, they became the focus of product launches and marketing campaigns.

Since 2002, the number of Hispanics who call America home has grown, and by the year 2050, this group is forecasted to account for nearly a quarter of the population. In a presentation at the American Society of Baking technical conference last March, Luis Navarro, sales and technical services manager for Kansas City, MO-based American Ingredients Co., said the baking industry must pay attention to this huge sector and take advantage of the opportunities that are out there to market and sell baked foods to Hispanics. The key, he said, is to give them what they want.

Supplying demand

When Mr. Navarro came to America more than 35 years ago, he said he could only get Mexican food in a tin can. Nothing tasted authentic. "Back then, I would say, oh gosh, if I could get this, if I could get that, it would be nice," he said. The key is for the industry to give this segment a little bit of home. "You will grab them if you give them something they miss," he said.

One way to do this is keep product names the same. Keeping such language consistent is something that will increase product sales. "It's just good for business," he said.

It's also important to stick to tradition. "There are some products that are easily identifiable by our people wherever they go. Respect our culture," he continued.

Mr. Navarro emphasized that although a product might be the best-ever, if it is not marketed correctly, it will not be successful. If bakers stay away from trying to reinvent the wheel, so to speak, they will be much more successful in this area.

Made in the U.S.A.

Thomasville, GA-based Flowers Foods Specialty Group's Tesoritos line is marketed directly to the US Hispanic sector. With the launch of this line in 2003, Flower's became the first wholesale baker to offer US-produced Hispanic cakes. "We saw a real opportunity with snack cakes. There is a strong tradition of eating a variety of fresh cakes for breakfast or afternoon snacks," said Keith Aldredge, vice-president of marketing/snack cakes.

This year, Flowers added cuernitos, a croissant-like product, to the line and has plans to broaden product offerings even further in 2006. Changes to the products' packaging this year included brighter colors and either appetizing product photography or clear "windows" where the actual product can be seen. And for the first time, the Tesoritos line is part of a tie-in promotion. "Consumers who purchase Tesoritos multipacks will find a free pack of Klass fruit drink mix inside," Mr. Aldredge said. Klass is a Mexican-based company that is well-known to US Hispanic consumers.

"I think we'll be seeing a lot more advertising and promotions aimed specifically at addressing Hispanic consumers," he said. "Research shows that this group responds well to traditional promotional efforts."

And in a bold move, Interstate Brands, Corp., Kansas City, MO, is planning to introduce Las Delicias de Hostess, a line targeted to the growing numbers of Hispanics in America. According to Jacques Roizen, interim chief marketing officer, Hostess sells better in Hispanic households than in the average American household, and with the launch of Las Delicias, IBC hopes to capture market share in this growing segment.

Product solutions

Statistically, Hispanics shop more often at bakeries and spend more on bakery products than any other ethnic group. The Food Institute recently released demographics showing that Hispanic families spend more per year on food than the overall population and that this large, young population will have a major impact on food consumption. As bakers grasp this concept, Hispanics will have more traditional products from which to choose.

In July, Prime Choice Foods, Bristol, VA, went national with its Go-Mex tortilla chips. Mauro Gomez, director of sales and marketing for the company, said that these organic, authentic tortilla chips are filling a void in the Hispanic market. Originally part of California-based Anita's Mexican Foods, Mr. Gomez's father, Jose Gomez, founder of Prime Choice Foods, moved to Virginia five years ago to open shop because he saw an opportunity to offer Hispanics a high-quality, traditional product — something that Mr. Gomez said was lacking in that region.

Go-Mex chips are not made with prepared ground corn or masa, instead, Prime Choice Foods keeps to tradition. "We cook the corn, we steep it in tanks, and we grind it ourselves," Mr. Gomez said.

In July, ConAgra Foods, Inc., Omaha, NE, unveiled a line of whole-wheat burritos and chimichangas, which are made with the company's new generation extra fine whole-wheat white flour. The product line, part of ConAgra Foodservices Division, is being called El eXtremo, and ConAgra officials said that by introducing the products into school lunch programs, millions of children will have an opportunity to eat whole wheat products.

Sonoma County California-based La Tortilla Factory recently launched an extra virgin olive oil tortilla line. The tortillas are trans fat free and are being marketed to health-conscious consumers. Rob Kelly, director of marketing for La Tortilla Factory, said that although the tortillas are being marketed to non-Hispanic consumers, he sees the Hispanic sector as a market with enormous growth potential. "The Hispanic population is faced with many health challenges including diabetes. Our healthy, trans-fat-free tortillas are perfect for this market. Our challenge is finding effective ways to educate," he said.

The marketing effort behind these tortillas is a good indicator of the way many Americans of widely differing demographics are embracing ethnic foods. Mr. Kelly said that in a crowded category like tortillas, it's important for packaging to help the product stand out. La Tortilla Factory EVOO wraps are marketed to health-conscious, on-the-go consumers. Stressing the convenience factor as well as health claims on the packaging is key, he said.

Keeping it real

When marketing products to the Hispanic sector, it is important to keep things as authentic as possible. Packaging, ingredients and flavors should all be recognizable. Mr. Gomez said this was a huge factor when creating the Go-Mex product line.

"Our name sounds very Hispanic, and it's obvious when you hear it that it is the name of a Hispanic product," he said.

But not just the name needs to appeal to the Hispanic market. Packaging should look authentic, too. For Go-Mex chips, the company chose a brown bag because to Hispanics, it looks like something

that could be found on store shelves in Mexico.

Flavors need to be authentic, too. "We chose mole as a flavor for our chips. Most people in our test panel had no idea what mole was, but to the Hispanic market, it's a very familiar flavor," he said.

Hispanic consumers will buy from the most traditional product line. "With salsas, they want to see that you're using chipotles and habaneros. With restaurant-style tortilla chips, they want to see the large chips that are actually cut from tortillas," he said.

Mr. Aldredge of Flowers Foods said that Hispanic consumers prefer the soft, fresh sweetened breads and bakery foods that are found in panaderias (Mexican bakeries). Shape plays an important role, too. "Consumers identify certain shapes with certain types of baked foods. The round shape, for example, is identified as a concha, while the C-shape is associated with the curenitos," he said. Flowers' challenge has been to produce bakery foods that remain as true as possible to the flavors, textures and shapes of bakery foods sold in panaderias.

Not so fast

Although it's not growing as quickly as the Hispanic sector, according to *www.marketresearch.com*, the Asian foods segment is expected to reach almost \$1 billion by the year 2008.

The firm suggests the real market could exceed \$1 billion. Simply put, the industry cannot overlook this growing opportunity, as well.

At Pagoda, part of Schwan's Consumer Brands North America, Inc., Minneapolis, MN, the newest product line consists of hot snacks inspired by a combination of traditional forms and flavors from Asia and America. The Asian Sensation Brand is set to take advantage of what Tom Bierbaum, director of marketing for Pagoda, called a \$1 billion category — authentic Asian frozen snacks and appetizers.

The line features a variety of hot snacks and mini-meals including large egg rolls, spring rolls, mini egg rolls, wontons, pot stickers and crisps.

In the past, Pagoda has appealed to a small niche audience with more traditional Asian foods. This new product launch is an extension of the company's past successes targeted to a more mainstream audience — existing hot snack foods consumers who have been exposed to Asian-influenced activities and to ethnic foods.

Annie Chun's, San Francisco, CA, offers meal kits, soup bowls and noodles marketed to second and third generation Asian-Americans who like the flavors but don't want to bother cooking from scratch and to non-Asian consumers who like Asian food but don't want to spend a lot of time cooking either.

According to Steve Broad, president of Annie's, many people have a pre-disposition toward Asian food because it is natural and healthy. Often the same consumers who shop at organic, specialty grocery stores will also purchase Asian-type meal kits and soups, he said.

"I think the meal kit concept is exploding now in Asian food because many manufacturers are trying to make Asian food easy and approachable to Western consumers," he said. Future plans for the line include a more exotic flavor profile.

Tasting success.

Although convenience seems to be a huge factor in the Asian foods sector, U.S. Hispanics prefer taste over ease. Mr. Aldredge said that in the Hispanic snack cake arena, it's all about great taste, convenience and indulgence but that when it comes down to it, convenience takes a back seat to

taste.

If bakers stick with authentic ingredients, flavor profiles and packaging, it seems there is no end to the opportunities to capitalize on these growing market segments.