

Sabor Y Nutrición

Flavor, nutrition and tradition, combined with market familiarity, can help food companies attract loyal Hispanic consumers.

BY MARI RYDINGS

Meet the food industry's newest trendsetters: Hispanic-Americans. With approximately 50 million of them living in the US, this is the country's fastest-growing population segment. According to Latinum Network, Bethesda, MD, total household spending in this demographic is expected to reach \$1 trillion by 2013, and it won't stop there. Between 2005 and 2008, Hispanics accounted for nearly 60% of the growth in the food, beverage and restaurant sectors. Simply put, this consumer group's spending power is growing faster than that of any other ethnic group.

"We spend a lot of money on food," said Sylvia Meléndez-Klinger, the founder of Hispanic Food Communications, Chicago, IL, and a member of the Grain Foods Foundation's Medical Advisory Board. "Food helps us show our love."

Judging from these numbers, Hispanic Americans have — and will continue to have — a major influence on food trends. But to be a contender in this rapidly expanding market, food manufacturers must do their homework.

For a trend to take root, you have to have a population in the area that will sustain it and keep it true.

— Chris Keegan, CEC, senior research chef, Cargill Flavor Systems North America



▲ Rudolph Foods satisfies its customers' desire for flavor and variety by offering a diversified line of pork rinds.
RUDOLPH FOODS

KNOW THE NEIGHBORHOOD. Reaching — and keeping — Hispanic consumers is not as simple as translating packaging text into Spanish, creating eye-catching graphics and purchasing shelf space. The term "Hispanic" serves as an umbrella for more than 20 different nationalities that make up the Latin American community. While Hispanic people tend to share commonalities such as the Spanish language and a strong sense of community and family, their food preferences vary greatly, depending on their country of origin.

Although about 60% of the Hispanic population is of Mexican origin, which explains why so much of the food in this category is skewed to Mexican palates, the key word in marketing to this demographic is "regional." "It is essential to understand the diversity

of tastes within the Hispanic community,” said Mauro Gomez, vice-president, sales and marketing, Prime Choice Foods, Bristol, VA. “It would be a mistake to assume



► Prime Choice Foods' Savory Balance line of tortilla chips provides a healthier alternative to snacking.

PRIME CHOICE FOODS

▼ With snack products such as Conchitas, Grupo Bimbo meets consumers' demand for authenticity and convenience.

GRUPO BIMBO



that all Spanish-speaking customers eat the same products.”

According to Alejandra Inclán Ortiz, executive chief in the research and development corporate area of Mexico City, Mexico-based Grupo Bimbo, it is important to develop innovative products that meet the common links but that also satisfy specific needs in terms of flavors, formats and ingredients.

With more than 20 nationalities to consider, food manufacturers can quickly become overwhelmed. After all, as Chris Keegan, CEC, senior research chef, Cargill Flavor Systems North America, Cincinnati, OH, noted, “A hot chili flavor in Texas is not the same as a hot chili flavor in Maine.” How can companies begin to understand and explore the sometimes subtle differences in consumer preferences?

“Embrace the culture,” advised Ms. Meléndez-Klinger. “Live and breathe the culture. Really get to know your consumer. Explore the places they frequent; eat their foods. Find out what they love and what issues they are concerned about.”

Focus groups are another way to gain insight into consumers and their buying habits. Rudolph Foods, Lima, OH, a major producer of pork rinds, has used focus groups for years to determine Hispanic consumer preferences. Such groups helped the company better understand the differences

between how US and Mexican consumers use pork rinds in their diets. “In Mexico, unlike in the US, there are not different names for different varieties of pork rinds,” said Mark Singleton, Rudolph's vice-president of sales and marketing. “The Hispanic consumer calls everything a *chicharrón*. They consume all of the varieties, but they use them differently. For example, pork rinds are consumed as snacks, but tender cracklins are overwhelmingly used for meal preparations as a protein source ingredient.”

MASTERFUL MARKETING. There is no dearth of data about the Hispanic population. Market reports can provide useful information for companies seeking to expand into this category. For example, one study reported that 22% of US citizens 18 years old and younger are Hispanic. Marketing to a younger demographic is likely to look dramatically different than marketing to an older population.

“Hispanic population growth is not being driven by immigration of first-generation Hispanics from Mexico and Central America,” said Patricia Villalobos Oliver, PhD, vice-president, research and development, Grupo Bimbo. “It's being driven by their offspring — teens and young children who are growing up in a bilingual, bicultural world and who regularly consume English-language media and rarely use Spanish outside of the home. Yet

Fact File

10%

expected annual growth in the Hispanic bakery category between 2010 and 2014

GRUPO BIMBO

23%

discrepancy between the Hispanic consumer's monthly shopping budget (\$292) and that of the general US consumer (\$377)

GRUPO BIMBO

2 to 4

number of shopping trips Hispanic consumers make each week

GARCIA TRUJILLO

90%

of survey participants who believe US companies should provide Spanish-language websites

GARCIA TRUJILLO

94%

of survey participants who responded that Spanish-speaking spokespeople are essential to advertising campaigns

GARCIA TRUJILLO

these young people are proud of their heritage and want to feel connected to it.”

According to Dr. Villalobos Oliver, one of the biggest challenges companies face is how to connect with acculturated Hispanic consumers while maintaining a link to their Latin origins. This is no easy feat, especially in light of the results from a recent study commissioned by Miami, FL-based Garcia Trujillo Holdings LLC, a business services company that offers consulting services to Hispanic-owned and -focused companies. Data from this study revealed that while 57% of participants surveyed believed that US companies valued Hispanic consumers, 42% responded that US companies show little respect for this demographic. With the amount of marketing dollars many large companies — including food manufacturers — have recently devoted to gaining the Hispanic consumers’ confidence, this statistic is a cause for concern, especially when consumer loyalty is at stake.

“Hispanics value the relationship between the consumer, the food manufacturer and the retailer,” Mr. Singleton said. “They are among the most loyal customers, especially from a branded point of view. The Hispanic consumer tends to look for nostalgic brands. Once they start buying a brand, especially if it’s a trusted brand that reminds them of home, they will continue to buy it.”

According to Ms. Meléndez-Klinger, that brand loyalty comes, in part, from an effective marketing campaign. “Advertising needs to incorporate the concepts of fun and family,” she said. “The term ‘family’ means something different to Hispanics. We are close, even if we are not related. We are loving people. Advertising needs to be homey and cozy, and it needs to touch the heart. Additionally, it’s not just mom and dad and kids smiling on a package. There are a lot of single moms in this population. They are the head of household.”

FLAVORFUL AND TRADITIONAL. “A taste of home” is one way to describe what many Hispanic consumers are looking for when they make food purchasing decisions. Authentic flavors, fresh ingredients and foods that are reminiscent of home should be top of mind during research and development sessions. Traditional Hispanic flavors include tropical fruits such as guava, papaya and mango. Other popular flavors include coconut, watermelon, cucumber, mangosteen, açai berry, coffee, chocolate and hibiscus, to name just a few.

“One common misconception is that Hispanic foods have to be mouth-burning spicy,” Mr. Singleton said. “But the reality is that Hispanic foods are zesty and flavorful.”

To this end, food manufacturers and ingredient suppliers are creating products and flavors that recreate traditional Hispanic flavors. For instance, Cargill Flavor Systems created a Hispanic toolkit that features dry forms of cilantro, chilis, ancho and other flavors

“If [the data don’t] tell you where the future is going with your products, you’re just not paying attention.”

— Mark Singleton, vice-president, sales and marketing, Rudolph Foods

Health and Nutrition

According to data reported by Oldways, Boston, MA, more than one in six Hispanic high school students is obese, and an additional 17% of young Hispanics are at risk for becoming obese. When adjusted for age, more than 10% of Latinos over the age of 20 have been diagnosed with type 2 diabetes. Heart disease and stroke are leading causes of death for Hispanics, and it is estimated that one in every 236 African-, Hispanic- and Asian-American is gluten-intolerant. Acculturation is often cited as a source for these chronic health issues.

These statistics are raising red flags, and educating Hispanics on the benefits of eating healthy is becoming more of a focus. Influential bakers such as Grupo Bimbo, Mexico City, Mexico, are leading this education campaign. Bimbo is working with the Whole Grains Council and Oldways to promote the consumption of whole grains in Central and South America. As part of this effort, the Whole Grain stamp graphic was translated into Spanish and Portuguese, and Bimbo met with regulators and health authorities in these regions to raise awareness about the importance of incorporating whole grains into the Hispanic diet. For its efforts, Bimbo received the Whole Grains Council’s annual Global Award this year for its work in bringing whole grains to Central and South America, as well as China.

In support of this educational initiative, Oldways devotes an entire section of its website to Latino nutrition. The section includes the *Latino Living* newsletter, a food pyramid and basic nutrition and health information geared toward the Hispanic community. All materials are presented in both Spanish and English.

In general, food companies have stepped up their efforts to develop products with healthier nutritional profiles. Many are finding ways to reduce the sugar, fat and sodium content in their products without sacrificing that all-important ingredient: flavor. Other companies are expanding their product offerings to include healthier alternatives such as all-natural, gluten-free snacks.

When promoting the health aspects and nutritional value of their products, Sylvia Meléndez-Klinger, the founder of Hispanic Food Communications, Chicago, IL, and a member of the Grain Foods Foundation’s Medical Advisory Board, encourages her clients to take advantage of their packaging. “Educate Hispanic consumers through your packaging,” she said. “Don’t just say, ‘Our product has folic acid.’ Elaborate. Highlight the benefits of folic acid. Use a simple message, and tell why it’s good for the consumer. Tell why it’s important.”

often associated with the Hispanic palate. The kit introduces Cargill's customers to Hispanic flavors and serves as a starting point for product development.

Fisher Nuts, Elgin, IL, recently introduced its Sabor Y Tradición product line, which features five authentic flavors: Salsa Verde Crunchy Coated Peanuts, Habanero Limón Peanuts, Dulce de Leche Crunchy Coated Cashews, Crujiente Picante Snack Mix and Sazón Habanero Snack Mix. The company designed the line to appeal to both Hispanic and non-Hispanic consumers. "Hispanic Americans desire lively, spicy snacks in combinations that feature fresh flavors reminiscent of their heritage," said Rob Sarlls, senior vice-president, consumer sales, strategy and business development, John B. Sanfilippo & Son, Inc., owner of the Fisher brand. "At the same time, Americans of any heritage love Latino food and will appreciate the new flavors as alternatives to more traditional, comparatively bland snacks."

In addition to flavor and tradition, acculturated Hispanic con-

sumers are looking for convenience. "As with most ethnicities, Hispanics who have recently immigrated to the United States make most of their favorite Mexican dishes from scratch," said Bryce Ruiz, president and CEO, Ruiz Foods, Dinuba, CA. "Yet as these consumers become acculturated and embrace the American lifestyle, they look for foods from their heritage in convenient easy-to-eat forms. These foods remind them of their heritage but offer convenience, quality and value." Ruiz

RUIZ FOODS



Getting to Know the Neighborhood

A vast array of resources exist that can help food manufacturers understand the specific needs of their Hispanic consumers. Here are just a few:

HEALTH AND NUTRITION

Hispanic Food Communications, Inc.: www.hispanicfoodcommunications.com

National Alliance for Hispanic Health: www.hispanichealth.org

Office of Minority Health (OMH): www.omhrc.gov/omhhome.htm

Oldways Latino Nutrition Collection: www.oldwayspt.org/latino-nutrition

NEWS AND INFORMATION

Hispanic.com: www.hispanic.com

Hispanic Link Online: www.hispaniclink.org

Hispanically Speaking News: www.hispanicallyspeakingnews.com

BLOGS

Hispanic PR Blog: www.hispanicprblog.com

The Morning Cup: www.morningcup.net

Spanglish Baby: www.spanglishbaby.com/category/food

Foods recently redesigned packaging for its Mexican food snack line. The new packaging is more freezer-friendly and offers the convenience of a resealable bag.

Finally, as with any product, packaging plays an essential role in capturing the consumer's attention. "You have that moment of truth when the eye meets the shelf, and you have to make sure that your messaging is appropriate in language, hierarchy and color," Mr. Singleton said. When it comes to reaching Hispanic consumers, bilingual packaging that offers a simple message is a must, he said.

Flavorful. Traditional. Convenient. Healthy. When thinking of Hispanic consumers, these four words must drive product development and marketing efforts. As this population continues to grow, so will its influence on food trends. "The Hispanic population is the fastest-growing demographic in the US," Mr. Singleton reiterated. "If that doesn't tell you where the future is going with your products, then you're just not paying attention." ■