

# ETHNIC MIX REACHES THE SNACK MARKET

Consumers are more willing than ever to try the flavours they have experienced on holiday or in ethnic restaurants in snack food products. So how are snack food manufacturers responding to this new market? *Food Processing Intelligence* reports.

**The snacking phenomenon** is prevalent internationally, although the rate and extent of developments vary from country to country. As eating patterns change – with more people eating alone rather than sitting down for family meals, more people living on their own and more accelerated lifestyles – there is increasing demand for ‘on the go’ foods. Additionally, the growing independence of women and their increasing buying power, together with the recognition that snacking is prevalent in women, has identified women as a whole new target market for snack foods.

The acceptance of ethnic foods into everyday eating experiences is more common in western countries, with Chinese and Italian foods being the most common and popular across Europe, the USA, Scandinavia and the UK. Consumers demand snacks that are easy to buy, store and eat, with an increasing number being eaten on the move. Snack food growth has been greatest in the more developed markets of the USA and the UK, but is increasing in other regions, such as southern Europe and Latin America.

Emerging ethnic flavours for the US market include South American food, such as Cajun and Creole flavours, while Middle Eastern and North African food is finding its way into the UK market.

## SNACKING STATISTICS

US consumers spend nearly \$25bn annually on treats and snacks. In the UK it is estimated that the snacks market was worth £2.6bn in 2004, showing steady growth year on

year (Snapshots International). The salty snacks sector is predicted to increase by 6.8 per cent and the sweet snacks sector by 3.4 per cent between 2002 and 2006 (Key Note Sweet and Salty Snacks Report). In 2003, savoury snacks accounted for 45 per cent of the UK snack food market, potato crisps accounted for a further 43 per cent, and the remainder of the market was nuts (Snapshots International).

Traditional sweet and salty snacks, such as chocolate and crisps, are under constant pressure from a widening range of snack packs and variants of other established foods such as biscuits, cheese, fruit, cereal and salads. Such items often have more healthy images than sweet and salty snacks, which are perceived as being high in fat, salt and sugar. Manufacturers have addressed this by introducing lower-fat versions of products, by offering organic ranges and labelling foods to emphasise their health benefits.

In the USA, Jays Foods launched a range of products called E-Z Dippins in 2003. These are dips and pretzels in a variety of flavours that are also lower in fat than other snacks – a significant factor in their success. Another US manufacturer, Cape Cod Crisps, which sells a range of premium hand crafted, basket fried crisps, which are often regarded as indulgent and higher in fat, have launched a range of products with 40 per cent less fat which are also selling strongly.

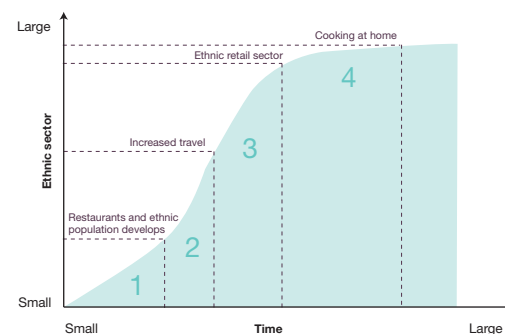
## FORECASTING NEW FLAVOURS

The graph shows the different stages of any ethnic food becoming part of a cuisine and

allows us to forecast what flavours may be popular next in snack foods.

Stage one sees the acceptance of an ethnic population, combined with an interest in ethnic cuisine. Ethnic restaurants are established to satisfy consumer interest and, in doing so, they encourage a taste for the cuisine. For example, there are currently pockets of the UK, such as parts of London, Bristol, Coventry and Liverpool, with Caribbean communities and a number of Caribbean restaurants and takeaways. Although these cater primarily for their own community, they are starting to attract people from outside the Caribbean community.

The second stage involves consumers’ increasing propensity to travel and visit exotic destinations. Increased exposure to ethnic cuisine and tastes encourages consumers to experiment with the flavours when they return home and take advantage of restaurants offering this cuisine. Furthermore, increased consumer travel encourages a wider acceptance of



The ethnic food acceptance process

ethnic foods and ingredients, so restaurants begin to offer a wider variety of recipes. At the same time, this creates a need for restaurants offering alternative ethnic flavours.

Stage three encompasses general consumer acceptance, whereby the popularity of ethnic cuisine encourages food manufacturers to incorporate ethnic recipes into their convenience food ranges. This stage sees the perception of ethnic food change from a 'dining out' experience to a meal-time possibility. Ethnic recipes in a convenience meal format appeal to consumers looking for ways in which they can reduce time spent in the kitchen. This format also reduces the level of cooking skill required in meal preparation, thus encouraging the less confident consumer to experiment.

Stage four is true consumer acceptance. Ethnic food is now firmly established in the restaurant and retail sectors as consumer popularity becomes entrenched. Consumers now look to recreate the flavours they have tasted in restaurants, while travelling and at home in ready meals. Increased acceptance of ethnic flavours is usually combined with an increased confidence concerning the ingredients involved. It also leads to the proliferation of this flavour into other food groups, such as the snack food market.

#### WHAT'S NEW?

Authenticity is a key word in ethnic foods in general and this is permeating into snack flavours too. It is no longer acceptable just to have a 'chicken curry' even in a roadside cafe in the UK. They would stipulate that it was a korma or a Madras or even mention regional flavours such as Goan curry.

Consumers have also become more discerning in snack foods and look for authentic snack food flavours. Authenticity and provenance (that is, being able to say where the pepper in your salt and pepper flavoured crisps is from) are key trends within the food industry at the moment.

According to Laurie Allanson, technical director of Kerry Ingredients, authenticity is achieved in different ways. These include:

- › Using authentic natural ingredients
- › Using products that deliver authentic flavour profiles
- › Ensuring the product represents an authentic recipe

- › Ensuring the product is perceived as authentic (that it appears to be authentic but is tailored to local tastes)

Another gauge of what is acceptable and desirable in the market is the range of spices that are popular and are stocked routinely in supermarkets. In recent years, this has expanded greatly to include coriander, saffron, lemongrass, chillies and ginger. These are often included in paste as well as powdered forms. The availability of spices and herbs often correlates directly to the most popular ethnic cuisine in that country.

In the next few years, we will see an increase in the availability of authentic Thai and North African spices as home cooks seek to replicate dishes from trips abroad and visits to restaurants. Similarly, in the USA and the UK there is a wider variety of chilli powder manufacturers producing a range of powders, including ancho, pasilla, chipotle and cascabel chillies. Snack products flavoured with chipotle chillies are already appearing.

#### ADULT SNACKS

Tanoj Shah of Virani Food Products Ltd and Gazebo Fine Foods says that Walkers' Sensations launch was one of the most significant in recent years. It defined the adult premium snacks market and has led to a number of similar ranges in own labels, such as Tesco's Temptations range. This has created demand for authentic adult ethnic flavours for the Virani company, such as Indian tikka and korma, authentic Chinese flavours and Mexican or Tex/Mex flavours.

This is a significant move from ten years ago when there was limited scope for Indian flavours in snack foods in the mainstream market. About five years ago, regionally based ready meals began to appear, such as meals from different areas of India, led by Noon Foods in the own-label sector.

Marks & Spencer also pushed forward by offering restaurant-quality ethnic dishes with new, more authentic flavours. This is now having an impact on the snack food market.

#### CHILLED SNACKS

The chilled snacks market is a little less buoyant at present. Fierce competition on price in finger foods and a number of new producers have made it a hard market to be in. However, there are also signs that there are movements in this market towards more

innovative snack foods and street food inspired products.

Evans Gray and Hood have just launched a range of authentic Thai products, including Pot Noodle-type dishes with authentic flavours such as shrimp, Thai Suki and Kim Chi. The range also includes prawn crackers in a variety of flavours in addition to the traditional plain prawn cracker. Other snack products, including salted plums and sun-ripened banana, are also offered, together with authentic Thai ingredients.

These products will increase people's awareness of different Thai flavours and help Thai food to develop in the marketplace and expand the range of Thai flavours people are willing to try in other products like snack foods. Evans Gray and Hood also bring the Roberts brand of Caribbean tinned ingredients and drinks into the UK from Jamaica, and there is still plenty of opportunity for Caribbean flavours to be introduced into the mainstream UK market.

#### THE PITFALLS

Increased awareness through global media via cable television and the internet allows consumers greater access to products and influences from around the world and increases their expectations of what should be available to them, allowing manufacturers to push the boundaries further with what they offer consumers.

However, maintaining a foothold in the market is not always easy. Butt Foods made an unsuccessful attempt to enter the snack foods market. Its naan bread sticks have been discontinued, as the Nottingham, UK, company was unable to compete against the major players such as Walkers when competing for shelf space in-store. Without the advertising budgets of the major players, it was hard to establish this product in the marketplace.

Natco has successfully developed a range of poppadum snacks. Although these are mainly available in ethnic stores, some are available in selected supermarkets. Flavours include coriander, lime and coriander, and yoghurt and mint.

Another company that has ventured into snack foods with mixed success is Dalgety Teas, the Caribbean food manufacturer. It launched a range of cassava chips in the ethnic market which was well received. However, when the packaging was changed from clear bags to a more upmarket foil

pack, to make the product more attractive to multiple retailers, sales in the independents suffered. Established customers expected the product to come in clear bags, as competitor products do, and were wary of the change. Dalgety is currently reviewing the products and preparing to relaunch.

### THREATS TO THE MARKET

One of the most significant negative features of snacks is consumers' traditional perception of them as being unhealthy, due to their relatively high fat and sugar content. Manufacturers have therefore attempted to boost demand by launching new, innovative products with a healthy profile – using descriptions such as 'low' and 'light', 'functional' and 'fortified', 'natural' and 'organic'. Successful examples of these include potato crisps that are baked rather than fried and certified organic products.

Manufacturers also reposition by offering advice on healthy eating and associating themselves with more healthy lifestyles. For example, Walkers are currently giving away free Walk-o-meters to help people keep a track of how many steps they walk a day and increase how far they walk to keep fit.

Although the snack food market is growing rapidly, there are an increasing number of players in the market. But the market also has negative associations. Snack food manufacturers are often seen as encouraging children to eat foods viewed as unhealthy by campaigners and health promotion bodies. This has led some manufacturers to switch emphasis to the adult market. Adult men make more impulse purchases of savoury snacks than women do.

The adult market is identified by more sophisticated flavours, different formats (such as Walkers' Dorritos and Dippas range of crisps) and dips and premium products (such as the Kettle Chips range of hand cooked potato and corn snacks, Derwent Valley Foods' Phileas Fogg brand and Jacob's Twiglets range). The adult segment is valued at £260m, which is 15 per cent of the total category value.

In an effort to make it easier to develop new products for the adult market, United Biscuits, which owns the KP, McVities and Pringles brands, has subdivided markets into a number of different eating opportunities. These include adult snacks that could be shared (such as crisps and dips), snacks

eaten as part of a meal occasion (with lunch, for example), or that could be taken with cold drinks (drinks and nibbles) and are often enjoyed at weekends and on special occasions. They can now develop products for each of these specific occasions.

### MINIMISING NEW PRODUCT RISK

Mark Towler of the snack food flavour company Savoury Flavours feels that consumers want new flavours but are often reticent about trying things they are totally unfamiliar with, in case they don't like them.

He suggests drawing consumers in by offering new experiences with some familiarity. For example, parmesan and red onion crisps are innovative, yet they are understood by consumers to be cheese and onion crisps, so they will buy them.

He has also seen another change in the type of flavours he is asked for, as Chinese, Indian, Mexican and Thai dishes have become more widely known in the UK, the USA and European countries. As a result, consumers have become more discerning about snack flavours. In Thai flavoured crisps, for instance, the lime flavour will now come from kaffir lime leaves rather than a standard lime flavour that would have been used a few years ago.

Towler has also noticed that the provenance of ingredients, from black pepper to balsamic vinegar, in premium range products has now become quite common among his client base. Even in children's crisps, there are far more authentic and ethnic flavours, as children are far more travelled than they would have been 20 years ago, they eat out more and have more discerning tastes.

### FUTURE OPPORTUNITIES

Flavour houses have responded to these trends by creating a new group of flavours that awaken the mouth by offering heating, cooling, sour, astringent or tingling sensations, adding new sensory dimensions to foods and beverages.

Takasago Intensate flavours are in this group. Unlike traditional flavours, they do not have distinctive aromas or carry the traditional taste. For example, the cooling flavours are not associated with the taste of menthol or mint and the heating flavours do not carry the taste of capsaicins.

These flavours can be applied in most products, such as sweets, chewing gum,

fruit beverages, alcoholic beverages, crisp seasonings and salsa. Food processors control the flavours' sensory impact in whatever way they want. They can control when the flavour impact hits the mouth and throat, how intense it is and how long the flavour lingers. They can even use heating and cooling flavours to give the perception of an actual temperature change. For example, by adding a heating flavour to apple pie filling at a low level, you can create the perception that the pie has been slightly warmed, even when it is at room temperature.

This principle could also be applied to savoury crisp flavours. For example, Walkers' Sensations spare rib flavour could taste hot in your mouth as if you were eating warm spare ribs. The ability of flavours to manipulate other food properties and sensations opens up tremendous opportunities for snack food manufacturers and flavourists to create new products.

Latin American food is another potential growth area. It is becoming more widely accepted in the North American market already, so it is likely this trend will spread across to Europe.

Latina Brands, set up in 2001 by Elaine Underwood, the former managing director of Sharwoods, aims to bring food from Latin America to the UK consumer. The company launched a range of cooking sauces with authentic flavours – their development chef is from Ecuador – and a range of rice dishes from different Latin American countries.

As well as their retail products, the business has developed a thriving food service side. It is working with major catering companies to bring Latin American food to students and to workplaces across the UK, which again will help open up another range of tastes and flavours which could be developed into snack foods.

As worldwide travel and the internet continue to broaden consumers' horizons, the market for ethnic foods will continue to broaden and push back its boundaries. Changing lifestyle patterns mean that demand for snack foods will continue to rise and that consumers will continue to look for products which have perceived health benefits as well as being innovative, yet familiar, flavours. There are still plenty of opportunities for ethnic snacks in the marketplace in the UK, Europe, Scandinavia and the USA. ■