

BY SHARON OLSON

**T**oday's customers are more knowledgeable about food culture and cuisine than ever before. This understanding translates into greater interest and experimentation with ethnic foods and flavors wherever they eat. The population's increasing ethnic diversity, greater awareness of ethnic foods and wider accessibility to foods from other cultures have made ethnic foods an integral component of popular cuisine.

This year's consumer survey explored the top ethnic cuisines popular with mainstream consumers and the flavors characterizing these foods. The study examined how deli consumers defined the value proposition for their favorite ethnic foods and how delis can ensure a share of this growing business.

Olson Communications, a Chicago, IL-based food marketing firm that specializes in trend spotting in the food business, surveyed 283 consumers about ethnic foods and flavors. The study focused on non-ethnic consumers, of which 93 percent were Caucasian/non-Hispanic or non-Latino. Researchers also conducted small focus groups to explore consumers' ethnic food tastes and how they define authentic and ethnic-inspired recipes. In-depth interviews with retailers were conducted to learn more about local market experiences with ethnic foods.

## POPULAR ETHNIC FOODS

The top three ethnic flavors that most readily came to mind among the consumers surveyed were Chinese, Mexican and Italian, with Greek and Thai flavors coming in fourth and fifth, respectively. Consumers' write-in choices included German, Jewish, Hungarian, Irish, Polish, Lebanese, Norwegian, Slovenian and Filipino.

Top cuisines were explored in focus groups, and many consumers were able to describe micro-cuisines within the top three. Consumers readily identified regional Chinese cuisines, including Szechwan, Cantonese and Northern styles such as Mongolian. Chinese is becoming a subset of the broad category of Asian cuisines, which include the foods and flavors of countries like Japan, Thailand and Vietnam. These regional foods are emerging as the new favorites, with a consumer awareness factor of 33 percent for Thai, 31 percent for Japanese, 25 percent for Indian and 11 percent for Vietnamese. Characteristics used by consumers to describe these other Asian foods were: "fresh, fast and hand-held."

When Mexican cuisine was explored in focus groups, consumers identified Tex-Mex offerings, such as tacos, enchiladas and tamales, most often as Mexican. The awareness of Caribbean and Pan-American cuisines were also noted by consumer focus groups, which recognized Cuban, Puerto Rican and Brazilian, the latter because of familiarity with churrascaria-style restaurants in the United States.

Italian is a long-time favorite category, and consumers clearly defined differences between northern and southern cuisines. They also identified Italian-American favorites, which tend to capture more of the southern Italian flavors. Familiarity with Italian cuisine has given rise to increased awareness of other Mediterranean cuisines. Greek foods were noted by 39 percent of consumers and Spanish dishes by 20 percent of consumers.

## DEFINING ETHNIC FLAVORS

Consumers were asked to choose which three specific flavors they identify with each type of ethnic food—Latin American, Asian and Mediterranean. Eighty-four percent of consumers identified chile pepper



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as the flavor they associated with Latin American foods. Half of the respondents named cilantro, and 42 percent chose tomato as flavors they identified most with Latin American foods. Lime, a close fourth, was noted by 38 percent of consumers surveyed.

According to 80 percent of consumers, soy was the flavor primarily associated with Asian foods. Sixty-four percent of consumers identified ginger, and 39 percent chose green tea. About one-third of those surveyed noted curry and wasabi as Asian flavors. For Mediterranean foods, consumers clearly identified garlic (63 percent), basil (59 percent) and Parmesan (47 percent) as their three flavor choices.

## AUTHENTIC OR ETHNIC-INSPIRED RECIPES

More than half (53 percent) of those surveyed wanted true and authentic recipes as well as ethnic-inspired recipes. When asked about specific recipes they would like to see offered when purchasing ethnic food, respondents focused on Asian, Mexican and Italian cuisines. Popular Asian recipes requested included:

- Sushi
- Beef & Broccoli with Rice
- Sesame Chicken
- Cashew Chicken
- Almond Chicken
- Orange Chicken
- Stir Fry
- Fried Rice
- Sweet & Sour Shrimp
- Egg Rolls

Specific Mexican dishes requested included:

- Tamales
- Enchiladas
- Tortilla Soup
- Tacos
- Salsa
- Mexican Chili

Italian recipes requested included:

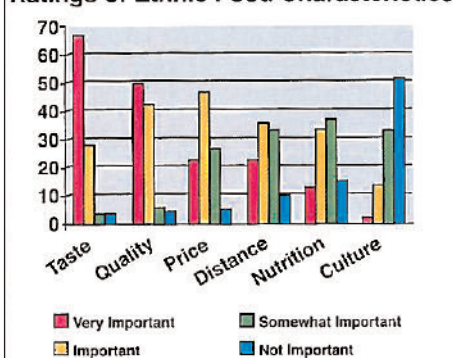
- Pasta Sauce
- Pizza
- Chicken Alfredo

## BUYING ETHNIC FOODS

When consumers were asked which retail locations they thought of when buying ethnic foods, they did not identify a clear winner; however, restaurants were the top choice for 60 percent of the respondents. The grocery store was the choice of 55 percent of consumers surveyed, and a specialty ethnic market was the choice of 43 percent of consumers.

The top three characteristics identified by survey participants as being most important when buying ethnic foods were: taste, quality and price. Taste and quality each were rated as important or very important by 90 percent or more of consumers. Price was noted by 64 percent of consumers as an important or very important quality when buying ethnic foods.

Ratings of Ethnic Food Characteristics



Survey participants indicated a wide range of ethnic food purchases. Prepared entrées were the choice for 60 percent of participants, followed closely by spices, herbs and oils as choices for 55 percent of consumers. Cheeses, sauces and breads rounded out the top five picks.

Fully prepared or fresh were the most frequent ways consumers bought ethnic food items. Over one-third of those surveyed purchased ethnic food items either fully prepared (37 percent) or fresh (34 percent). Thirteen percent bought ethnic food items bottled or canned, and 11 percent bought frozen ethnic food items. Refrigerated ethnic food items were only noted by 6 percent of consumers.

Consumers were also asked if they would be willing to pay extra for ethnic foods, and 58 percent answered "it would depend." The remaining respondents were split evenly between yes and no. For those who answered "it would depend," over half would be willing to pay extra if the food was from a favorite restaurant, and over one-third would be willing to pay extra if the dish was difficult to make from scratch.

Other reasons consumers would be willing to pay extra for ethnic foods included special occasions or if they had a taste for it. For those willing to pay extra, their reasons included taste, quality, authenticity and consumers' inability to replicate the recipe at home. A few consumers said ethnic foods reminded them of their youth or good memories.

For those unwilling to pay extra, price sensitivity was the factor mentioned most often. Survey respondents felt they should not have to pay extra for ethnic foods or felt ethnic foods were not important enough to them to pay more money.

## RETAILER PERSPECTIVES

Retailers report that deli customers are looking for prepared foods, cheeses and meats that are truly ethnic in terms of authenticity and preparation methods. Deli customers are also seeking ethnic-inspired offerings characterized by seasonings or varieties.

"Consumers are interested in authentic ingredients, rather than substitutes that attempt to replicate the real thing," says Voni Woods, senior director for deli at Giant Eagle Inc., a Pittsburgh, PA-based chain. "They are exposed to specialty items on television and in restaurants and are fascinated with strong, bold, new tastes. They travel and are excited to try and recreate those foods they experienced while away from home in their own kitchens."

John Clark, director of bakery and deli operations for Harp's Food Stores Inc., Springdale, AR, is also cognizant of consumers' keen interest in recreating tastes discovered during travels. Moreover, he recognizes the impact of consumers' restaurant experiences on deli choices, citing the popularity of the sushi counter at his store. "Ten years ago, there was no sushi in Northwest Arkansas, period. Recently, there has been an influx of sushi offerings in almost every restaurant. It's hit a nerve," Clark reports. To ensure the quality and authenticity of Harp's sushi, the store hired a sushi expert with years of experience.

Other deli professionals who are in-store regularly and interact with customers observe that ethnic cuisines are more readily embraced by a younger demographic. "I would say my generation is being a little more adventurous in what they want to try," says 20-something Andrew Connor, deli supervisor at Atkins Country Market in Amherst, MA.

Research confirms that younger consumers can identify many more ethnic micro-cuisines. Yet consumers over 45 years old consider price a less important factor when purchasing ethnic foods than the 18- to 34-year-old group.

No matter what their age, more adventurous buyers are looking for something a bit different with more international flair. The types of deli offerings that fall into the "ethnic" description vary widely.



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According to Giant Eagle's Woods, many consumers associate ethnic foods with hot, garlicky and spicy flavors, such as those found in bolder cuisines from Latin America, the Middle East and Asia. Woods breaks it down further, noting that Latin America is linked with spicy, piquant and cilantro seasonings, Asia is tied to Szechwan, ginger and sesame flavors, and the Mediterranean regions are synonymous with savory, herbal, garlic and pepper tastes.

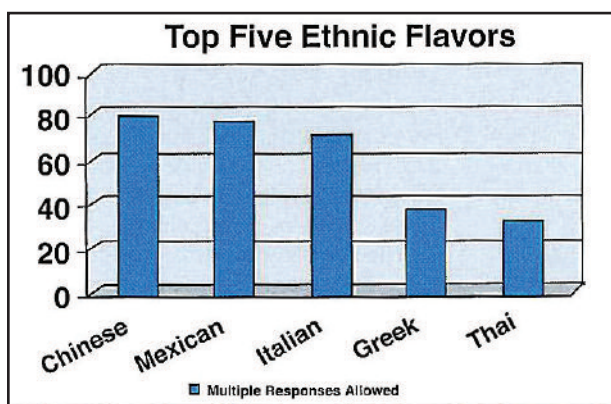
Ethnic fare is expanding, or perhaps more aptly put, splintering. Regional flavors within

category, and Tuscan or Sicilian creations are emerging from the Italian sector.

Woods notes that the Market District corporate brand line at Giant Eagle is expanding to include more unique and regionally authentic Mediterranean salads and fresh sauces. Now, the deli department imports fresh Italian pasta. "Italian foods are still big and growing, highlighted by prosciutto, hams and sausages," she says. "However, these widely enjoyed meats are being augmented with Spanish offerings, with Serrano ham leading the pack."

The movement toward more regionality within ethnic cuisines is evident in varying degrees at supermarket delis across the country, from major mainstream chains to specialty markets to independent operators.

Gina Provo, deli/bakery manager of Bailey's General Store in Sanibel Island, FL, says the Asian-inspired potstickers in her deli are selling swiftly, as are unusual ethnic dishes that are more regional in nature.



ethnic cuisines continue to gain a foothold. Cuban or Ecuadorian fare is complementing Mexican cuisine, while Thai and Vietnamese specialties are making their mark in the Chinese

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—Voni Woods  
Giant Eagle Inc.

"I have seaweed salad, made from seaweed, sesame seeds and lime juice. We've done very well with it—it's a good mover," she says.

Katie Jones, deli manager at Casey's market in Western Springs, IL, indicates that deli offerings reminiscent of dishes in distinct Asian cultures are hot right now—and a far cry from the Chop Suey of previous generations.

"We're making a Thai dish, a peanut-crusted boneless chicken breast with cilantro on top and served with jasmine rice, that has been a big hit," Jones says. The store's potstickers, which are pan-fried in-house and served with a sesame-ginger dipping sauce, have also become a perennial best-seller.

Middle Eastern flavors and North African dishes are moving into the deli case, incorporating Tandoori cooking styles and spices like curry, cumin, turmeric, mint, dill and saffron. These spices are becoming if not as common as oregano or chipotle, then at least present in prepared meals, salads and side dishes. Woods notes that hummus and tabouleh are "big and growing" at Giant Eagle, which has also introduced a line of Indian sauces.

## DEFINING THE DIFFERENCE

Flavors from half a world away may be showing up in prepared foods created by suppliers and in-house deli professionals, but merchandising such products has to hit close to home for a sale and, more importantly, for a repeat sale.

Indeed, adventurous as they may claim to be, shoppers sometimes need a nudge to make the leap between interest and purchase. Provo, for instance, says her deli's recent addition of a flatbread pizza with feta cheese and spinach sold well after shoppers had a chance to try it. "If you introduce it the right way and let them sample, they'll try anything," Provo points out. Sampling is key to any deli operation, but especially important when introducing new or different flavors.

Even though many value-added deli offerings—prepared meals and premium and imported meats and cheeses—carry a higher price point than commodity-style or more conventional products, the price points for ethnic foods are not typically priced higher than other value-added items, such as those geared for convenience. "If you can present them with quality, freshness and taste, they are right there for you," says Provo.

Today's consumers understand value, Woods says. "Consumers are willing to pay more for products they believe are better than what is widely available, most notably what they believe are authentic, fresh items," Woods says. "Consumers are willing to treat themselves, and they are savvy enough to know the difference between what is a good 'value' for their money and what is 'expensive.'"

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