

DELI BUSINESS

MARKETING MERCHANDISING MANAGEMENT PROCUREMENT

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Kid Stuff

The deli can play an active role in childhood nutrition



Mexican Food Mania

A variety of trends keep this category's sales strong

BY LISA WHITE

It's not a surprise that Mexican meals have become mainstream — they offer a variety of taste profiles, are easy to prepare and offer consumers value.

U.S. Mexican food retail sales exceed \$5 billion annually, according to Packaged Facts, a New York City-based research firm. Supermarket delis have capitalized on the popularity of these items by incorporating a broadening selection in the product mix.

Because Mexican food continues to be the most popular ethnic food segment in the country — it has a 42 percent share of ethnic food sales, according to Datamonitor, a provider of global business information with offices around the world — this is a very smart move.

The growing population of Hispanics, who currently comprise 10 percent of the U.S. population, ensures that this food segment will continue to grow in the future.

Supermarket delis need to be aware of a number of notable trends in this category. In the past, displaying a couple of Mexican items in the deli would suffice, but that's no longer the case. To bring more attention to the category and become a destination for these sought-after products, it's key to offer a broad selection of Mexican items.

"The must-have items for Mexican food delis are salsas, rice, beans and marinated meats," says Jorge Aguilar, deli sales manager at Haliburton International Foods, based in Ontario, CA. "What's really hot right now is having a variety of fresh salsas, meat marinades such as carne asada and chicken tinga, and, of course, side dishes such as rice, beans, pasta salad and roasted vegetables."

In addition to a variety of salsas and cooking sauces, Haliburton offers side dishes using rice, pasta and fire-roasted vegetable blends, such as Elote Mexican corn (corn on the cob), roasted edamame and Oaxaca rice. The company's new fire-grilled shrimp is available as an individual item or pre-packaged with a vegetable blend.

Because popular items such as burritos and chimichangas are easily transportable,



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delis should be sure to address different day parts. "Breakfast burritos are not just for breakfast anymore," says John McCarthy, category manager at Reser's Fine Foods, headquartered in Beaverton, OR. "Mexican staples, such as burritos, enchiladas, quesadillas and taquitos for kids, lend to a variety of flavor options. Flan and other desserts provide added cross-merchandising and meal-deal opportunities."

Healthy Has It

Although Mexican food has not traditionally been considered a healthy option, the

ingredients that comprise many of the products can be considered better-for-you food. For example, it would be difficult to find a sandwich program today that doesn't incorporate wraps utilizing tortillas. "In this regard, the Mexican category has become very mainstream," says Robin Tobor, director of marketing for Mission Foods, based in Irving, TX. "Supermarket chains now offer wrap sandwiches along with pinwheel party trays."

Mission will be introducing deli wraps for shelves and knee-knocker areas in delis this fall. Its website now includes recipes that are simple for delis to execute. According to

Tobor, "These are meant to inspire deli operators and provide ideas on what they can do with our products." Although wraps are not traditional Mexican items, consumers tend to categorize them as such. "There's a growing trend toward merchandising wraps and better-for-you tortillas in the delis," says Joe Ketchum, vice president of sales and marketing at Olé Mexican Foods, headquartered in Norcross, GA. The company's Olé Xtreme Wellness line of wraps is new this year to the

knee-knocker shelves.

True Blue Authentic

With the country's growing Hispanic population and increased mainstream interest in Mexican foods, authenticity has become a differentiating factor. "Mexican foods have increased in popularity with the success of ethnic food trends that feature authentic flavors and quality ingredients," says Kristyn Lawson, vice president of sales



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at Los Angeles, CA-based Yucatan Foods, which recently introduced spicy guacamole made with a blend of garlic and peppers, and ranch guacamole. Its guacamole kit geared for in-store guacamole programs includes chunky avocado pulp and halves for behind the service case glass.

Where Mexican cheeses and sausage have traditionally been sold packaged in the dairy and meat cases, some retailers are attempting to move them to the deli where they're selling from bulk packages. "This is likely due to the fact that 82 percent of the cheese sold in supermarkets in Mexico is sold in the deli," Ketchum says.

According to Johanna Hulme, marketing manager at City of Industry, CA-based Pociño Foods Co., "Ham, head cheese and pastrami are staple Mexican deli items. One of the things Hispanic markets excel at is providing various cuts of meat and pre-seasoned items. The best way to broaden a deli's demographic is to expose customers to new foods, experiences and flavors. Fortunately, Hispanic foods are not a mystery."

Retailers can differentiate their delis by providing authentic prepared foods that are difficult to prepare at home. "Carnitas, which is Mexican-style roasted pork, and Mexican meatballs are typically dishes that are very labor intensive to prepare. By offering pre-prepared items, we can save Hispanic consumers time in the kitchen, while providing the taste they grew up with," Hulme adds.



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The Fresher the Better

Hispanic consumers, especially first and second generation, are more apt to prepare foods from scratch, which is why offering fresh product is key in a Mexican food display. "What you see more in the supermarket delis are Hispanic dairy products, such as cheese and creams, in addition to meats that are sold by the pound," says Felix Alejandro Fajardo, marketing manager at Rizo Lopez Foods, located in Riverbank, CA. "Hispanics look for freshness on these types of products."

Another fresh product gaining popularity in delis is pre-stirred yogurt, which is eaten with fruit. "Hispanics tend toward more fresh items in the deli than in the dairy department," notes Cindy Jensen, director of sales and marketing at Queso Campesino, headquartered in Denver, CO. The company recently partnered with a large Mexican cheese company and will be expanding its line and exporting to Mexico.

Offering bulk Mexican cheese behind the counter for cut-to-order programs appeals to those consumers who typically purchase these items at Mexican supermarkets. "Usually in smaller Mexican markets, these cheeses are put in the counter. Kroger has begun offering Mexican cheeses in the deli, and it is doing very well," Jensen explains.

A Value Proposition

With Mexican foods, consumers have come to expect value, especially in products targeted to Hispanic consumers. "Hispanic consumers are price savvy and price conscious, so they will go for value first, with flavor a close second," Pocino's Hulme says. "Value is the driving force in this segment."

This is why it's important to provide specials, meal deals and couponing whenever possible. Delis that keep a close eye on emerging trends and provide the proper selections of products can increase profits and register rings. "There's interest and desire for new and different Mexican products in the deli. And if these items taste wonderful, they will be accepted," claims Reser's McCarthy.

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