

WELCOME TO

# InPerspective®

BROUGHT TO YOU BY CARGILL SALT

JANUARY 2010 / VOLUME 5

Welcome to the InPerspective® newsletter, offering some of the most interesting and relevant consumer trends impacting the food and beverage industry. With so much consumer data available to marketers, it can be daunting to stay on top of trends, and to think about how to effectively manage and use these resources. To help with these challenges, Cargill Salt has created the InPerspective® newsletter. Each issue shares information about the latest developments and issues of interest to food marketers and, more importantly, helps identify the potential implications for food manufacturing.

This newsletter will be updated regularly as we continue to review resources and share trends with you.

For more information about Cargill products or to be notified when future InPerspective® newsletters will be available, visit [www.CargillSaltInPerspective.com](http://www.CargillSaltInPerspective.com).

InPerspective® newsletter volume 5 summarizes some of the latest trends driving consumers' shopping and eating habits.

We hope you find these articles informative and useful.



## **EATING FOR COMFORT AND ESCAPE**

### **Home cooking trends benefit consumer packaged goods manufacturers**

As consumers seek comfort and escape from budget troubles, a renewed prevalence of home cooking bodes well for food marketers. In 2008, meals prepared and eaten at home rose to 242 meals per person, closing in on the 25-year high of 249 in-home meals per person in 1992, according to a report by the Center for Marketing Intelligence.

With trends moving away from restaurant dining, credit-crunched consumers are making dinners from scratch, preparing their own packed lunches and buying snacks for home consumption, according to Euromonitor. Consumers are also relying on private label foods to make ends meet: nearly 97 percent of all households consume private label foods regularly and more than half of all store brand food offerings are now used as the end dish.

This new do-it-yourself attitude has benefited food marketers in a variety of ways. There is a renewed consumer interest in packaged good sections offering foods considered “basics,” such as rice, pasta, sauces and frozen foods. Home cooking has triggered a rise in cookbooks and recipe swapping. Some companies are also re-introducing low-priced comfort foods, such as macaroni and cheese.

And speaking of comfort and escape, apparently there’s another way to “chip away” at the recession: tough times are increasing a craving for chips, considered a good value by many consumers. The market for potato chips grew 22 percent during the economic downturn, according to Mintel International.

These developments provide food marketers with new opportunities to adjust their strategies to meet the needs of consumers who are rediscovering many tried-and-true basics.



---

**COMFORTING FACT:** Perfect for creating great-tasting foods from entrees to salty snacks, Alberger® brand flake salt’s hollow, pyramid-shaped crystals provide superior adherence, blendability and solubility.

---

#### SOURCES:

- Center for Marketing Intelligence, “Food Now: Eating and the Recession,” CMI Brief, August 2009
- Euromonitor International, “The New Era of Thrift: Changing Spending Habits in the Face of Recession,” August 2009
- The NPD Group, “NPD Finds Nearly Every U.S. Household Consumes Private Label and Store Brand Foods,” April 21, 2009
- FoodBusinessNews.net, “Salty Snack Sales Rise in the Recession,” Sept. 28, 2009
- *The New York Times*, “Food Brands Compete to Stretch a Dollar,” May 11, 2009

## **SMALL BITES, BIG FLAVORS** Snacks and mini-meals merge

While some predicted that snacking would taper off as the economy faltered, the opposite is actually happening, according to Iconoculture. In fact, consumption of snacks is growing and is forecasted to increase by 14 percent by 2017. Why? Because consumers today see snacking as an integral part of their lifestyles, whether for sustenance, indulgence or enjoyment.

Snacking is stepping up in a big way, as consumers recognize that smart mini-meals can be a part of an all-day wellness plan. And don't discount the eating experience, especially in tough economic times, adds Iconoculture. Consumers looking to sample new flavors are turning to snacks as smart choices for their money. New definitions of what constitutes a snack are merging, with street foods and mini-meals showing up alongside classics like chocolate chip cookies.

Small bites that are big on choice (and flavor) allow consumers to indulge in their tastes without breaking the bank. Mini foods and street foods are providing a way for cash-crunched consumers to scale back without upending their lifestyles. Foods such as Tapas and Kogi (Korean tacos) sold as street foods offer consumers delicious new choices. Restaurants are selling treats inspired by street foods from around the world such as Malaysian black pepper clams, Egyptian-style baked fish and Cuban stuffed potato pancakes.

Bigger flavors are also becoming part of the snacking experience across generations. The Center for Marketing Intelligence reports that bolder tastes are especially important to children, and that "classic" children's flavors now include sour cream and onion, buffalo, taco and honey mustard.

With these trends, food marketers have the opportunity to create products using new flavor combinations and convenient portion sizes to satisfy consumers' snacking urges.



---

**SMART FLAVOR TIP:** Cargill's SaltWise® sodium reduction system reduces sodium in product formulations by up to 50 percent while delivering the great flavor of salt that consumers crave.

---

#### SOURCES:

- Iconoculture, "Consumer Outlook: Restaurant 2009"
- Iconoculture, "Consumer Outlook: Snacking 2009"
- Center for Marketing Intelligence, "Trends in Kids' Meals," CMI Brief, September 2009

## MULTICULTURAL FOODS FOR MULTICULTURAL FAMILIES

### A fusion of ethnic flavors

By at least 2025 more than half of all families with children will be multicultural, according to the Nielsen Company. Less than half will be native born non-Hispanic white. Within this multicultural marketplace, Hispanics will be the largest group, but Asian, African and Caribbeans will provide substantial opportunity for marketers who can navigate diverse cultures, tastes and languages.

One area of opportunity is ethnic foods, already becoming a staple in many consumers' diets. *Food Technology* reported that 96 percent of households with kids regularly eat ethnic foods. Today's school menus also feature items such as Mexican tacos, burritos and quesadillas (98 percent), and Asian stir fry, sushi and egg rolls (65 percent).

Another ethnic food trend that has become part of the U.S. dining mainstream is fusion cuisine, in which elements of two or more culinary traditions are combined. The hottest new form is Latino Fusion. Mex Italian is also making headway in people's hearts. Bistros are featuring cannelloni alongside poblano peppers or tacos alla florentina. Others are blending Mexican and soul food, such as refried black-eyed peas, Mexican-barbecued tacos and jalapeno-spiced slaw.

According to Nielsen, by 2020 multicultural marketing will be a necessity rather than an option for doing business. This shift will impact product selections, product flavors and the methods marketers use to reach their new target audiences. Companies that anticipate demographic shifts could have an advantage. It will be critical for consumer packaged goods companies to adapt in order to gain the attention and brand loyalty of multicultural families of the future. Those who keep doing what they're doing today will be left behind.



---

## MULTIPLE SALT CHOICES:

As a full-spectrum salt supplier, Cargill has the salts you need to delight your customers — be it core ingredient salts such as Top-Flo® granulated salt; specialty salts such as Alberger® brand flake salts; our line of purified and gourmet sea salts, or our SaltWise® sodium reduction system.

---

#### SOURCES:

- The Nielsen Company, "The United States in 2020 a Very Different Place," NielsenWire, [www.nielsenwire.com](http://www.nielsenwire.com), July 1, 2009
- Center for Marketing Intelligence, "Trends in Kids' Meals," CMI Brief, September 2009
- Iconoculture, "Beyond the Ground Beef Taco," June 25, 2009
- The Nielsen Company, "Nielsen Projects Older, Multicultural and Low-Income Consumers Driving Consumer Packaged Goods Trends in 2020," May 12, 2009

## THRIFTY IS NIFTY Eating on the cheap

Through a shopper's eyes, today's economic and lifestyle environment bears striking similarities to that of the 1930s, according to a report by Information Resources Inc. (IRI). Whereas children of the Depression grew up craving stability, generations that followed dreamed instead of happiness. The company's new research reveals that a majority or a significant plurality of shoppers will extend current shopping behaviors and values long after the recession recedes.

Shoppers will adopt many of the practices that Depression-era shoppers implemented, both to weather the recession and to keep a close eye on spending, whether it's clipping coupons, serving less expensive meals at home or even eating smaller portions.

IRI has dubbed these shoppers the "Downturn Generation." Consumers are further divided into three groups. "Optimists" believe things will get better over the next 12 months and are spending money wisely, cutting back selectively and making sacrifices as a last resort. "Maintainists" believe the economy won't get worse but it won't get better either; they are also spending money wisely, but are somewhat more aggressive about making cutbacks. Meanwhile, "Pessimists" believe that "if you think times are hard now, next year will be even worse," and are cutting back wherever possible and hunting tirelessly to find deals.

These insights point to new marketing strategies. According to IRI, options include shifting more merchandising out of the store and into the home, since today's shoppers are creating lists, learning about products online, downloading coupons and making purchasing decisions before they even venture out. It's also advised to emphasize familiar products, since the environment for new product introductions is harder than usual. Successful consumer packaged goods companies will focus on line extensions for the foreseeable future.



**MARKET FACT:** As the leading supplier of sea salt to the food processing industry for more than 10 years, Cargill offers a growing portfolio of food grade salts designed to meet today's manufacturing needs.

#### SOURCES:

- Information Resources Inc., "Dissecting the Downturn Generation," IRI Point of View, April 20, 2009